



Control Number: 42867



Item Number: 127

Addendum StartPage: 0

RECEIVED
2014 DEC 30 PM 2:20
PUBLIC UTILITY COMMISSION
FILING CLERK

[illegible]

OF

SOAH DOCKET NO. 473-14-5138.WS
PUC DOCKET NO. 42867

OF

ADMINISTRATIVE HEARINGS

Pursuant to Rule 194 and other applicable provisions of the Texas Rules of Civil Procedure, and Orders Nos. 1 and 9 in this matter, the City of Austin, Respondent, (herein sometimes referred to as “City,” “Austin” or “Respondent”), in the above styled and docketed wholesale water rate appeal proceeding and serves this, its Second Amended Disclosures, on all parties to this Proceeding. The City of Austin’s disclosures correspond to all applicable provisions of Tex. R. Civ. P. 194.2. Austin’s disclosures include voluminous documents. In accordance with Order No. 2, however, we have transmitted these voluminous documents digitally in the attached disclosures. Please notify Webb & Webb, Attorneys at Law, if you have difficulties gaining access to the disclosures.

THE CITY OF AUSTIN'S SECOND SUPPLEMENTAL DISCLOSURES

f. For any testifying expert:

4. If the expert is retained by, employed by, or otherwise subject to the control of the party to whom this Request is addressed:
 - A. All documents, tangible things, reports, models, or data compilations that have been provided to, review by, or prepared by or for the experts in anticipations of the expert's testimony; and

Richard G. Giardina: Please see the Coverage and Bond Ratings spreadsheet attached, COA 3rd Supp Disclosure 2453.

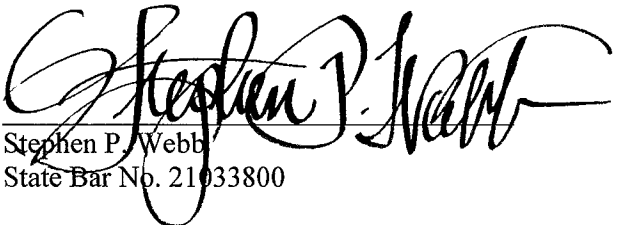
Respectfully submitted,

KAREN KENNARD,
City Attorney

D. CLARK CORNWELL
Assistant City Attorney

WEBB & WEBB
712 Southwest Tower
211 East Seventh Street
Austin, Texas 78767
Tel: (512) 472-9990
Fax: (512) 472-3183

By:


Stephen P. Webb
State Bar No. 21033800

Gwendolyn Hill Webb
State Bar No. 21026300

ATTORNEYS FOR CITY OF AUSTIN

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served via hand delivery, facsimile, electronic mail, overnight mail, US mail and/or Certified Mail Return Receipt Requested on all parties whose names appear on the mailing list below on this

30th day of December, 2014.

FOR THE PUBLIC UTILITY COMMISSION:

1701 N. Congress Avenue, 7th Floor
PO Box 13326
Austin, Texas 78711-3326
Via Electronic Upload & Hand Delivery

FOR THE SOAH DOCKET CLERK:

Ms. Monica Luna, Docketing Clerk
State Office of Administrative Hearings
300 W. 15th Street, Suite 504
Austin, Texas 78701
Phone: 512-475-4993
Fax: 512-322-2061
Via Electronic Upload

FOR PETITIONERS:

Mr. Randall B. Wilburn, Attorney at Law
3000 South IH 35, Suite 150
Austin, Texas 78704
Phone: 512-535-1661
Fax: 512-535-1678
rbw@randallwilburnlaw.com

Mr. John Carlton, Attorney at Law
The Carlton Law Firm, PLLC
2705 Bee Cave Road, Suite 200
Austin, Texas 78746
Phone: 512-614-0901
Fax: 512-900-2855
john@carltonlawaustin.com

FOR THE PUC STAFF:

Mr. Hollis Henley, Attorney – Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, Texas 78711-3326
Phone: 512-936-7230
Fax: 512-936-7268
Hollis.henley@puc.texas.gov

Mr. Thomas Tynes, Attorney – Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
PO Box 13326
Austin, Texas 78711-3326
Phone: 512-936-7297
Fax: 512-936-7268
Thomas.Tynes@puc.texas.gov


STEPHEN L. WEBB

City	Financial Policy	Coverage	Bond Covenant	Actual	Moody's	Bond Ratings	Fitch	Comments
						S&P		
Houston	1.20		1.20	1.51	Aa1	AA+	AA	Financial Policy based on Master Ordinance; Moody's rating as of 5/8/13 on City of Houston's Jr. Lien Combined Utility System's \$281 million debt; Coverage per CAFR and Combined Utility System Bonds (include Water & Sewer System Bonds, Combined Utility System Bonds & Commercial Paper)
San Antonio Water System	1.25		1.25	1.75	Aa2	AA	AA	Ratings based on Jr. Lien Revenue & Refunding Bonds, Series 2014A; actual coverage based on 2013 audit and is coverage for all debt, sr lien coverage was 1.94x; bond covenant - 1.25x the current annual sr. lien debt service
Dallas	1.50		1.25	1.73	Aa1	AAA		Financial Management Performance Criteria Goal for Financial Policy; Bond rating based on Official Statement, dated 8-23-13; Actual as of 9-30-12
Austin	1.50		1.25	1.42	Aa1	Not Rated	AA+	Actual Coverage based on 2013 CAFR; Moody's Bond Rating on Series 2013 Bonds
Fort Worth	2.00		1.50	2.09				Actual Coverage based on Feb 2014 CAFR; Financial Policy from FY 2014 Budget Document
El Paso								Actual Coverage from 2013 CAFR; Moody's bond rating for Permanent Improvement Bonds, Series 2014 & W&WW CO, Series 2014; Fitch Bond Rating on CO, Series 2014; Financial Policy discusses debt ratios and not a coverage target. The City apparently began implementing a rate structure where more of the costs would be recovered through the base rate. This structure change generates net revenues above 2.5x the debt service. Excess revenues are used to fund capital. Apparently, their operating reserves have suffered from this slightly and could have an adverse affect on their ratings if it continues to decrease.
Arlington								Actual Coverage from 2013 CAFR; Bond Ratings for Sr. Lien; for Jr. Lien, bond ratings were A1, A, A+.
Corpus Christi	2.50		1.25	5.37	Aa2	AAA	AA+	Actual Coverage from 2013 CAFR (CAFR also states that the system has a coverage of 2.44x it's average requirements (2014-2028)); The city mostly issues Certificates of Obligation, therefore does not have bond covenants or financial policy related to coverage.
Laredo	1.25		1.25	2.13	Aa3	A+	AA-	Actual Coverage from 2013 CAFR; Paid off water revenue bonds in 2013; Water provider is North Texas Municipal Water District
Plano		See Note		0.67	Aa2	AA	AA	Actual Coverage from 2013 CAFR; Moody's bond rating on GO and CO bonds, S&P rating on GO & CO bonds
Irving		See Note		64.04		AAA	AAA	Actual Coverage from 2013 CAFR; Bond ratings on GO & CO bonds; The city primarily issues CO bonds for water and sewer.
Lubbock		See Note		2.79	Aaa	AAA		Actual Coverage from 2013 CAFR; Bond Rating from 2015 Budget Documents
Garland		See Note		3.05	Aa2	AA+	AA+	Actual Coverage from 2013 CAFR; Bond Rating from 2015 Budget Documents
Grand Prairie	2.00		1.25	2.07	Not Rated	AA-	AA+	Bond Ratings from W&WW System Revenue Refunding Bonds, Series 2013; Actual Coverage from 2013 CAFR
Amarillo			1.25	4.39	Not Rated	AAA	AA+	Actual Coverage from 2013 CAFR; Bond Rating as April 1, 2014 on water and sewer revenue debt
Brownsville Public Utility Board				3.03	Not Rated	AAA	Not Rated	Jr. Lien Debt has 1.10x coverage requirement; Actual Coverage as of 9/30/13 includes electric, water & ww systems; Original FY 2013 Budget projected a 1.76x coverage
Frisco	1.25		1.25	2.04	A2	A+	A+	Bond ratings on CO bonds - info in 2013 CAFR; the city does not issue revenue bonds for water and wastewater
McAllen		See Note		Aa2	AA	AA	Not Rated	Actual Coverage from 2013 CAFR; 1.45x Coverage for WW; Bond rating on GO bonds; Last Revenue Bond Issue through the TWDB
Denton			1.25	1.47		AA+	AA+	Actual Coverage from 2013 CAFR; Bond Covenant is 1.25 max debt service of all outstanding revenue bonds and/or 1.5x the average annual debt service of all outstanding revenue bonds; Per Annual Program of Services document, 1.25x coverage will be maintained as defined by bond covenants
McKinney	1.25		1.25	1.34	A1	AA-	Not Rated	Actual Coverage from 2013 CAFR
Pasadena				3.50	Aa2	AA+		Actual Coverage from 2013 CAFR
Killeen				2.18			AA-	Actual Coverage from 2013 CAFR
Round Rock				1.99				Actual Coverage from 2013 CAFR
Mesquite			1.25	3.13		AA		Actual Coverage from 2013 CAFR; BCRUA and BCRWWS
Waco		See Note	1.50	2.30		AA		Actual Coverage from 2013 CAFR; BCRUA and BCRWWS
				1.42				City has no outstanding revenue bonds; has CO bonds