

Control Number: 42867



Item Number: 84

Addendum StartPage: 0

SOAH DOCKET NO. 473-14-5138.WS
PUC DOCKET NO. 42857

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PUBLIC UTILITY COMMISSION
FILING CLERK

PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE
MUNICIPAL UTILITY DISTRICT NO. 1, §
NORTHTOWN MUNICIPAL UTILITY §
DISTRICT, TRAVIS COUNTY WATER §
CONTROL AND IMPROVEMENT §
DISTRICT NO. 10 AND WELLS §
BRANCH MUNICIPAL UTILITY § OF
DISTRICT §
FROM THE RATEMAKING ACTIONS §
OF THE CITY OF AUSTIN §
AND REQUEST FOR INTERIM RATES §
IN WILLIAMSON AND TRAVIS §
COUNTIES § ADMINISTRATIVE HEARINGS

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

PETITION OF NORTH AUSTIN § BEFORE THE STATE OFFICE
MUNICIPAL UTILITY DISTRICT NO. 1, §
NORTHTOWN MUNICIPAL UTILITY §
DISTRICT, AND WELLS BRANCH §
MUNICIPAL UTILITY DISTRICT § OF
FROM THE RATEMAKING ACTIONS §
OF THE CITY OF AUSTIN §
AND REQUEST FOR INTERIM RATES §
IN WILLIAMSON AND TRAVIS §
COUNTIES § ADMINISTRATIVE HEARINGS

**NORTH AUSTIN UTILITY DISTRICT NO. 1'S FIRST SUPPLEMENTAL
RESPONSE TO ITS FIRST AMENDED RESPONSE
TO CITY OF AUSTIN'S AMENDED
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

TO: City of Austin, by and through its attorneys of record, Stephen P. Webb and Gwendolyn Hill Webb, Webb & Webb, 712 Southwest Tower, 211 East 7th Street, Austin, Texas 78701.

COMES NOW, North Austin Utility District No. 1 ("North Austin" or "Petitioner"), in the above-styled and numbered cause, and serves this, its First Supplemental Response to Its First Amended Response to the City of Austin's Amended First Request for Production of Documents.

84

Respectfully submitted,

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By: _____

JOHN J. CARLTON

COUNSEL FOR PETITIONER

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of the foregoing document on all parties of record in tis proceeding on November 18, 2014 via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or certified mail.

JOHN J. CARLTON

PRODUCTION REQUESTS

1. Please provide budgets formally adopted by North Austin for current year and previous five (5) years. Please include all back up data for each budget formally adopted by North Austin.

Objection: North Austin objects to this request on the following independent bases: the request is overbroad in its time frame; the request is irrelevant, because this Petitioner does not have the burden of proof and its budgets are not a basis for the underlying rate action; the request seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence (*K-Mart Corp. v. Sanderson*, 937 S.W.2d 429, 431-32 (Tex. 1996); *see also* Tex. R. Civ. P. 192.3); the request is irrelevant and unduly burdensome as it is simply a part of a fishing expedition (*In re American Optical Corp.*, 988 S.W. 2d 711, 713-14 (Tex. 1998) and cases cited therein); and the request is overbroad as it requests "all back up data" which is not limited in scope or time, and would likely include documents protected by attorney work product or attorney-client privileges.

Response: Notwithstanding and without waiving the objections noted above, responsive and non-privileged documents will be produced. See Supplemental Documents attached.

4. Please provide copies of the resolutions or orders to establish water rates that have been formally adopted by North Austin for current year and previous five (5) years.

Objection: North Austin objects to this request on the following independent bases: the request is overbroad in its time frame; the request is irrelevant, because this Petitioner does not have the burden of proof; the request seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence (*K-Mart Corp. v. Sanderson*, 937 S.W.2d 429, 431-32 (Tex. 1996); *see also* Tex. R. Civ. P. 192.3); and the request is irrelevant as it is simply a part of a fishing expedition (*In re American Optical Corp.*, 988 S.W. 2d 711, 713-14 (Tex. 1998) and cases cited therein).

Response: Notwithstanding and without waiving the objections noted above, responsive documents will be produced. See Supplemental Documents attached.

RESPONSE TO REQUEST NO. 1

RESOLUTION ADOPTING BUDGET

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
AND WILLIAMSON §

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DISTRICT THAT:

WHEREAS, the Board of Directors of North Austin Municipal Utility District No. 1 (the "District") has projected the operating expenses and revenues for the district for the period October 1, 2014 through September 30, 2015;

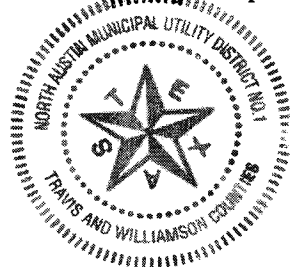
NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

Section 1. That the Operating Budget attached hereto as Exhibit "A" is hereby adopted.

Section 2. That the Secretary of the Board of Directors is hereby directed to file a copy of this Resolution Adopting Budget in the official records of the District.

ADOPTED this 10th day of September, 2014.

(SEAL)



Alan McNeil, President
Board of Directors

ATTEST:

Jo Jones, Secretary
Board of Directors

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>REVENUE</u>	<u>Approved 2013 / 2014</u>	<u>DRAFT 2014 / 2015</u>
1) Water / Sewer Fees	\$ 3,983,856	\$ 3,983,856
2) Service Application Fees & Late Fees	\$ 60,000	\$ 60,000
3) Water / Sewer Tap / Inspection Fees	\$ 60,000	\$ 35,000
4) Property Tax (x .2738)	\$ 2,005,299	\$ 2,389,116
5) Penalties on Tax	\$ 5,000	\$ 5,000
6) Pool & Park Fees	\$ 65,000	\$ 70,000
7) Investment Interest	\$ 17,000	\$ 17,000
8) Interest on Checking	\$ 500	\$ 500
9) Reimbursable Revenue	\$ 40,000	\$ 30,000
10) Miscellaneous	\$ 500	\$ 500
11) Unified Garbage Fees (\$19 per connection)	\$ 581,400	\$ 581,400
12) Recycle Rebate	\$ 1,000	\$ 1,000
13) Surplus Bond Funds	\$ -	\$ -
14) Reimbursement from RRISD & Catholic School Swim Teams for Pool Winter Gas	\$ 15,000	\$ 15,000
15) Community Center Fees	\$ 12,000	\$ 15,000
TOTAL	\$ 6,846,555	\$ 7,203,372

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

REVENUE		PER YEAR	
1) <u>Water and Sewer Fees</u>			\$ 3,983,856
<u>Water Revenue</u>	\$ 8.00 /1,000 Gallons		
	\$ 4.65 /1,000 Gallons		
390,000,000 gallons is the 3-year average (Assumes water loss factor & District Irrigation of 5,000,000 which no revenue is generated)			
Assume current connections =	2,593		
2,593 Connections x \$8 x 12 mo. =	\$ 8.00	\$ 248,928	
Gallons/1,000 gal. =	300,000		
(1,000 gals is in base for each residential use)	\$ 4.65	\$ 1,395,000	\$ 1,643,928
	(60,000,000 gals + Base Fee)	Commercial	\$ 450,000
			<u>\$ 2,093,928</u>
<u>Sewer Revenue</u>	\$ 8.00 /1,000 Gallons		
	\$ 6.40 /1,000 Gallons		
Assume 2,593 median connections:			
Base Rate	2,593	\$ 248,928	
Volume Charge in '000's (rounded)	20,000	\$ 1,536,000	\$ 1,784,928
		Commercial	\$ 105,000
(Sewer assigned to District meters receives no revenue - 12,000,000 gal)			<u>\$ 1,889,928</u>
2) <u>Service Application Fees</u> - Includes penalties charged to Customer Accounts for non-payment of bills.			\$ 60,000
A) Customer Penalties			
B) Reconnect Fees @ \$40.00			
C) Pulled Meter Fees @ \$100.00			
D) New Service Application Fees @ \$30.00			
3) <u>Water and Sewer Taps</u> - (Commercial - 1 Project 8"x4" meter)			\$ 35,000
4) <u>Property Tax</u> - Assuming total taxable value times O&M tax rate:			
	\$ 0.2738	\$ 873,258,418	\$ 2,389,116
5) <u>Penalties on Tax</u>			\$ 5,000
6) <u>Pool and Park Fees</u> - 2014/2015 Pool Memberships, Tennis Court Fees			\$ 70,000
7) <u>Investment Interest</u> - Interest on operating account balances.			\$ 17,000
8) <u>Interest on Checking</u>			\$ 500
9) <u>Potential Reimbursable Revenue</u> - Revenue derived from reimbursement of Engineering Review Fees and Inspection Fees / Plan Review-\$15,000 / Inspection Fees-\$15,000			\$ 30,000
10) <u>Miscellaneous Income</u> -			\$ 500
11) <u>Unified Garbage Contract</u> - Mo. fee per connect x Est. conn. =			
	2,550	\$ 19	\$ 581,400
	(Connections)	(Fee/Month)	
12) <u>Recycle Rebate</u>			\$ 1,000
13) <u>Surplus Bond Funds</u>			\$ -
14) <u>Reimbursement from RRISD & Catholic School Swim Teams for Pool Winter Gas</u>			\$ 15,000
15) <u>Community Center Fees</u>			\$ 15,000
			<u>\$ 7,203,372</u>

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>EXPENSES</u>	<u>Approved 2013 / 2014</u>	<u>DRAFT 2014 / 2015</u>
1) Water / Sewer Purchases	\$ 3,416,820	\$ 3,381,780
2) Unified Garbage Fees	\$ 540,000	\$ 552,234
3) Night Watchman	\$ 36,000	\$ 37,992
4) Electricity for Booster Stations	\$ 14,000	\$ 14,000
5) Maintenance for Booster Stations	\$ 25,000	\$ 25,000
6) Water / Sewer Maintenance	\$ 50,000	\$ 50,000
7) Replace Fire Hydrants	\$ 40,000	\$ 40,000
8) Water Maintenance Contingency-Meter Changeouts	\$ 50,000	\$ 50,000
9) Painting Fire Hydrants / Survey	\$ 10,000	\$ 15,000
10) Water / Sewer Inspection Fees	\$ 30,000	\$ 15,000
11) Director Fees / Conference / Travel	\$ 46,000	\$ 46,000
12) Legal Fees	\$ 135,000	\$ 140,000
13) Election Expenses	\$ 5,000	\$ 7,500
14) A. Engineering - Projects Funded from Annual Operating Budget	\$ 320,100	\$ 399,600
B. Engineering - Projects Funded w/ Revenues/ Grants from Others	\$ 10,000	\$ 15,000
15) Deed Restriction Enforcement	\$ 12,000	\$ 12,000
16) Management Services	\$ 255,000	\$ 255,000
17) Bookkeeping Fees	\$ 55,000	\$ 55,000
18) Auditing Fees	\$ 12,000	\$ 12,000
19) Tax Collection / Appraisal	\$ 21,000	\$ 22,000

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>EXPENSES</u>	<u>Approved 2013 / 2014</u>	<u>DRAFT 2014 / 2015</u>
20) Park / Greenbelt Maintenance (Robinson & Rattan)	\$ 224,610	\$ 231,660
21) Park Improvements & Greenbelt Improvements (See Wishlist)	\$ 102,800	\$ 407,000
22) Park Expenses	\$ 161,000	\$ 87,000
23) Pool Expenses	\$ 88,800	\$ 93,800
24) Non-reoccurring Pool Expenses	\$ 30,000	\$ 98,350
25) Restroom Maintenance (Robinson Park & Rattan Creek)	\$ 12,000	\$ 15,000
26) Lifeguards	\$ 172,500	\$ 172,500
27) Base Services for Pool	\$ 17,400	\$ 17,400
28) Insurance - General Liability	\$ 18,000	\$ 15,000
29) Security Services	\$ 64,516	\$ 80,000
30) Miscellaneous Permits	\$ 18,000	\$ 18,000
31) Community Center Operations	\$ 122,500	\$ 161,400
32) Website Upgrades/Maintenance	\$ 3,000	\$ 3,000
33) Contingency Funds A) General - \$405,556 B) Water Rate at \$4.19/1,000 gallons - \$201,600	\$ 677,509	\$ 607,156
34) Financial Advisor Fees	\$ 3,000	\$ 3,000
35) MS4 Stormwater Fees	\$ 8,000	\$ 8,000
36) Amasia Park Playscape	\$ 35,000	\$ 35,000
37) Newsletter/Communication	\$ 5,000	\$ 5,000
TOTAL	\$ 6,846,555	\$ 7,203,372

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>EXPENSES</u>		<u>PER YEAR</u>	
1)	<u>Water and Sewer Purchases</u>		\$ 3,381,780
	<u>Water Expense</u> /1,000 gallons	\$ 3.71	
	Monthly service charge for master meters	\$ 13,225	
	Estimated water purchased from COA will be (in '000's)	420,000	
	Volume Charge	\$ 1,558,200	
	Master Meter Service Charge	\$ 158,700	
	TOTAL WATER EXPENSE	\$ 1,716,900	
	<u>Sewer Expenses</u> /1,000 gallons	\$ 5.76	
	Estimated wastewater average as set by COA is (in 000's)	24,000	
	Winter Average	\$ 1,658,880	
	Service Charge/mo.	\$ 6,000	
	TOTAL SEWER EXPENSE	\$ 1,664,880	
2)	<u>Unified Garbage Fees</u> - \$17.49 per connection		
	Connections	2,550	
	Cost/Connection	\$ 17.89	\$ 547,434
	Annual Clean Up (includes rounding amount)		\$ 4,800
			\$ 552,234
3)	<u>Nightwatchman/Electricity</u> - Street Lighting		
	Average Monthly Expense	\$ 3,166	\$ 37,992
4)	<u>Electricity for Booster Stations</u>		
	Average Monthly Expense	\$ 1,167	\$ 14,000
5)	<u>Booster Station Maintenance</u>		\$ 25,000
6)	<u>Water / Sewer Maintenance</u>		\$ 50,000
7)	<u>Replace Fire Hydrants</u>		\$ 40,000
8)	<u>Water Maintenance Contingency - Meter Changeouts - Residential & Commercial</u>		\$ 50,000
9)	<u>Paint Fire Hydrants/Survey Hydrants</u>		\$ 15,000
10)	<u>Water / Sewer Inspection Fees</u> (Roadrunner's Fees for New Projects)		\$ 15,000
11)	<u>Directors Fees</u> - \$150 per regular meeting, \$150.00 per subcommittee.		\$ 46,000
	A) Conference	\$ 10,000	
	B) Fees	\$ 36,000	
12)	<u>Legal Fees</u> - To Included general and special activities -		\$ 140,000
	A) General	\$ 55,000	
	B) Deed Enforcement	\$ 15,000	
	C) Water Rate Study Group Fees	\$ 50,000	
	D) Incidentals	\$ 20,000	
13)	<u>Election Expenses</u> - (Election will be in November 2014)		\$ 7,500

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

EXPENSES

PER YEAR

14)	Projects Funded from Annual Operating Budget	<u>Engineer's Budget</u>	<u>Other Support</u>	<u>Construction/</u>	
	A. Item		<u>Consultant's Budget</u>	<u>Production</u>	
	Rattan Creek Coordination w/ Upper Brushy Creek	\$25,000			
	TV Sewer Line	\$7,500	\$80,000	\$40,000	
	Water Leak Investigations	\$5,000	\$1,500	\$30,000	
	Major Rattan Creek Tributary Analysis	\$8,500	\$2,500		
	Special Drainage Project	\$8,000			
	Update/Revise Utility Maps	\$7,000	\$3,000		
	Manhole Inventory and Repairs	\$6,000	\$25,000	\$50,000	
	City of Austin Water Rate Issue	\$2,500			
	Walking/Jogging Trail Repairs	\$6,000	\$3,000		
	Park Restroom Construction	\$30,000	\$6,000		
	Annual Engineering Fees	\$21,600			
	Booster Station General Repairs	\$5,000		\$25,000	
	Bond Authorization Renewal	\$2,500			
	Total - Line Item 14 A.	<u>\$133,600</u>	<u>\$121,000</u>	<u>\$145,000</u>	\$ 399,600
	Projects Funded with Revenues/Grants from Others	<u>Engineer's Budget</u>	<u>Other Support</u>	<u>Construction/</u>	
	B. Item		<u>Consultant's Budget</u>	<u>Production</u>	
	Plan Reviews (Cost recovered by applicant)	\$15,000			
	Total - Line Item 14 B.	<u>\$15,000</u>	<u>\$0</u>	<u>\$0</u>	\$ 15,000
15)	Deed Restriction Enforcement - Assumed cost for enforcement activities				\$ 12,000
16)	Management Services				
	Monthly Fee	\$ 20,350	\$ 244,200		
	AVR Expense		\$ 10,800		\$ 255,000
17)	Bookkeeping				
	Bolt & Douthitt, PLLC (includes \$750 for audit report draft)				\$ 55,000
18)	Auditing Fees - Preparation of yearly audit				\$ 12,000
19)	Tax Collection/Appraisal - Fees split between debt service & O&M Estimated Fees:				\$ 22,000
20)	Park / Greenbelt Maintenance (Robinson & Rattan) -				\$ 231,660
	A) Ongoing Landscape Maintenance				
	1) 2013/2014 Landscape Maintenance Base Fee - Unchanged	\$	168,000		
	2) Contract Addition - New Bridge, Trail, Wall, Trees, Irrigation	\$	360		
	3) Estimated Irrigation Repairs & Well Related Irrigation Repairs	\$	7,200		
	4) Fall Overseeding Irrigated Turf & Soccer Fields:	\$	9,250		
	5) Life Topdressing Irr. Turf & Soccer if Overseeding Approved	\$	8,800		
	6) Annual Mulching Beds, Tree Rings, All Parks & Entrances to 1"	\$	5,600		
	7) Annual Mitigation & Newer Trail & Bridge Tree Ring Mulching	\$	1,500		
	8) Seasonal Color Rattan & Tamayo - others now perennials	\$	2,450		
		<u>\$</u>	<u>200,860</u>		
	B) Seasonal Landscape Services				
	1) Rattan & Robinson Soccer Topdress & Summer Repair (Winter above)	\$	9,100		
	2) Landscape Plant Updated & Replacement Allowance	\$	9,000		
	3) Winter Mowing of Robinson Park Natural Area (its overgrown)	\$	3,200		
	4) Annual Poison Ivy Program of 3 Treatments	\$	4,500		
	5) Oak Will Treatment	\$	5,000		
		<u>\$</u>	<u>30,800</u>		

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>EXPENSES</u>	<u>PER YEAR</u>
21) <u>Park Improvements & Greenbelt Improvements -</u>	\$ 407,000
1) Trail Erosion Repair	\$ 50,000
2) Irrigation for 15 New Trees near Robinson Soccer Fields	\$ 2,000
3) Eagle Scout 15 New Trees Planting Near Robinson Soccer Fields	\$ 2,000
4) Landscape & Irrigation at Rattan Park/Tamayo Trail Head	\$ 6,000
5) Dead Tree & Brush Clearing Misc. Areas	\$ 35,000
6) Trail Trees Irrigation Main Park to Rankin Access + Drip Newer Rankin Trees	\$ 25,000
7) Grovedale Park Pavilion Conc. Tables, Benches, Landscaping	\$ 50,000
8) Robinson Parking Lot/Soccer Restroom Facility	\$ 60,000
9) Elkhorn & Rankin Pavilion Park / Gazebo	\$ 85,000
10) Basketball Court Drinking Fountain	\$ 8,000
11) Park Trash Cans & Benches	\$ 10,000
12) Mutt Mitts Plastic Bag Dispensers	\$ 4,000
13) Repair/Replace Split Rail Fencing	\$ 20,000
14) Landscape Contingency	\$ 15,000
15) Robinson Playscape	\$ 35,000
22) <u>Park Expenses</u>	\$ 87,000
A) Electricity	\$ 12,000
B) Signage	\$ 10,000
C) Vandalism & General Repairs	\$ 10,000
D) Well Maintenance	\$ 35,000
E) Well Electricity	\$ 5,000
F) TF Harper Safety Inspections-Pool & Park Equipment & Repair	\$ 5,000
G) Mulch to Play Areas	\$ 5,000
H) Tennis Court Sinking Fund	\$ 5,000
23) <u>Pool Expenses -</u>	\$ 93,800
A) Chemicals	\$ 12,000
B) Systems Maintenance Reserve Fund	\$ 10,000
C) Utilities/Natural Gas	\$ 18,000
D) Community CPR 50 people x 55.00	\$ 2,800
E) Insurance	\$ 5,000
F) Contingence (Major Repairs-Pumps, Filters)	\$ 15,000
G) Maintenance/Repairs/Supplies (heater, furniture, lane rope, pool cover)	\$ 11,000
H) Pool Heater Sinking Fund	\$ 5,000
I) Pool Replastering Sinking Fund	\$ 15,000
24) <u>Non-reoccurring Pool Expenses</u>	\$ 98,350
A) Replaster Pool	\$ 90,000
B) Replace Aerator Motor & Stand	\$ 1,500
C) Guard Umbrellas	\$ 600
D) Add 2 Cameras	\$ 1,500
E) Replace 3 Lane Lines	\$ 1,750
F) Repair Slide Gaskets	\$ 3,000
25) Restroom Maintenance (Amasia Park & 2 Outside Restrooms at Community Building & New Robinson Park Restroom - 6 mths)	\$ 15,000
26) <u>Lifeguards</u> Includes Summer Rates \$132,500 & Winter Rates \$40,000	\$ 172,500
27) <u>Base Services - Pool (Per Contract)</u> \$1,450 per month x 12 = \$17,400	\$ 17,400
28) <u>Insurance</u> - General Liability / To Include Lockbox	\$ 15,000

NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1
Budget Year 2014 / 2015
APPROVED September 10, 2014

<u>EXPENSES</u>		<u>PER YEAR</u>
28) <u>Security Services -</u>		\$ 80,000
A) \$50.00 per hour x 100 hours month (\$5,000/mo.)	\$ 60,000	
B) \$8.00 per hour - Car	\$ 10,000	
C) TML Insurance	\$ 10,000	
30) <u>Miscellaneous/Permits -</u>		\$ 18,000
A) Delivery/Mailouts - Customer Confidence Reports	\$ 3,000	
B) Miscellaneous - Water & Wastewater Permit Fees	\$ 10,000	
C) Miscellaneous Expense / Other	\$ 5,000	
31) <u>Community Center Operations (Includes Utilities)</u>		\$ 161,400
A) Utilities - Electric/Gas/AT&T	\$ 9,000	
B) Janitorial Services	\$ 18,000	
C) Community Center Staffing	\$ 55,000	
D) Event Coordinator Staffing	\$ 25,000	
E) Contingency Repairs	\$ 3,000	
F) Building Supplies	\$ 3,750	
G) Insurance	\$ 1,000	
H) Furniture/Kitchen	\$ 4,000	
I) Maintenance/Pest Control/Floor/Fire Inspection/HVAC/Fridge Filters	\$ 10,000	
J) Interior Repair Painting	\$ 1,500	
K) Replace Interior Camera (1)	\$ 750	
L) Install Wireless Cameras (2)	\$ 3,500	
M) Office Supplies for Event Coordinator	\$ 1,500	
N) Board Chairs (4)	\$ 1,050	
O) Ice Machine	\$ 3,200	
P) Ice Machine Installation	\$ 850	
Q) Repaint 18 Tennis Light Poles, 2 Parking Lot Poles, 2 Cabanas, 2 Basketball	\$ 11,500	
R) Event Signs (A-Frame)	\$ 800	
S) Board Functions		
Meeting Snacks	\$ 3,000	
Supplies	\$ 2,000	
Open House/Public Relations	\$ 3,000	
32) <u>Website Upgrades/Maintenance</u>		\$ 3,000
33) <u>Contingency Funds</u>		\$ 607,156
A) General	\$ 405,556	
B) Water Rate at \$4.19/1,000 gallons	\$ 201,600	
34) <u>Financial Advisor Fees</u>		\$ 3,000
35) <u>MS4 Stormwater Program</u>		\$ 8,000
36) <u>Amasia Park Playscape</u>		\$ 35,000
37) <u>Newsletter/Communication</u>		\$ 5,000
TOTAL EXPENSES		\$ 7,203,372

RESPONSE TO REQUEST NO. 4

**ORDER RE-ESTABLISHING WATER AND WASTEWATER SERVICE RATES,
CHARGES AND TAP FEES, AND ADOPTING GENERAL POLICIES WITH RESPECT
TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS**

(September 18, 2013)

THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

WHEREAS, pursuant to §54.204, Texas Water Code, the Board of Directors (the "Board") of North Austin Municipal Utility District No. 1 (the "District") is authorized to adopt and enforce all necessary rates, charges, fees and deposits for providing District facilities or services;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF THE DISTRICT AS FOLLOWS:

I. General Policies.

A. Definitions. For purposes of this Order, the following terms shall have the meanings indicated:

1. "Connection" shall mean and refer to each residential unit occupied by a separate family, including separate apartments located within a single building, and each business unit occupied by a separate business, including separate establishments within a single building.

2. "District's representative" shall mean and refer to the general manager of the District or another representative or employee of the District acting pursuant to the direction of the general manager or the Board of Directors of the District.

3. "Fee Unit" shall mean a single unit of service as defined by continuous duty maximum flow rate in gallons per minute for a 5/8" water meter using American Water Works Association C700-C703 standards. The number of fee units shall be determined by the size and type of the water meter purchased for the property as follows:

<u>Meter Size</u>	<u>Fee Units</u>
5/8" simple	1
3/4" simple	1.5
1" simple	2.5
1-1/2" simple	5
2" simple	8
2" compound	8
2" turbine	10
3" compound	16
3" turbine	24

<u>Meter Size</u>	<u>Fee Units</u>
4" compound	25
4" turbine	42
6" compound	50
8" compound	80
6" turbine	92
10" compound	115
8" turbine	160
10" turbine	250
12" turbine	330

4. "Rules" shall mean and refer to such rules and regulations as the District may adopt pursuant to §54.205, Texas Water Code.

5. "Systems" shall mean and refer to the District's water, wastewater and drainage systems.

B. All Services Required. Except as otherwise expressly authorized in the Rules, no service shall be provided by and through the District's Systems unless the applicant agrees to take water, wastewater and solid waste services ("Services"). Commercial customers shall not be provided solid waste services.

C. All Services Charged. At no time shall the District render water, sewer or solid waste services without charge to any person, firm, corporation, organization or entity.

D. Other Utilities. Prior to installing underground cables in the area of District water supply and sanitary sewer collection lines, representatives of utility companies shall meet with the District's representative to file such companies' construction plans and schedules and to review the engineering plans illustrating the location of the District's lines.

E. Review of Utility and Drainage Construction Plans. Any person desiring to install water and wastewater facilities to be connected to the District's utility system or drainage facilities shall obtain the approval of such plans by the District, upon recommendation of the District's Engineer, prior to construction. Prior to the District's Engineer's review of the plans, the person requesting review shall make a deposit of \$500.00 with the District Engineer. The cost of review of the plans shall be on a time and materials basis. Should the estimated cost of such review exceed \$500.00, the District's Engineer and the person requesting review shall present the request for review of the plans to the Board of Directors for a determination of an adequate deposit.

F. Park Fees. In the event a developer requests a change in land use from the prior approved District land plan and such requested land use change includes residential uses, the developer shall pay park fees to the District prior to connection to the water and/or wastewater system. Said park fees shall be assessed in the amount equal to \$25.00 per month for 48 months for each living unit equivalent. The fee shall be paid prior to connection to the Services being provided to any structure within the development. The fee may be reduced and refunded by 50% if the developer constructs and completes a swimming pool and other

substantial recreational facilities which have been approved in advance by the Board and located within the development.

II. Connections to the District's Systems.

A. Applications for Connections.

1. Any party desiring to make a connection to the District's Systems shall first make an application to the District's representative in the form approved by the Board of Directors of the District. The applicant, shall, upon request, furnish the District's representative with evidence that the party who will actually install the tap and connecting line

has comprehensive general liability insurance in the minimum amounts of \$300,000.00 bodily injury and \$50,000.00 property damage, with an underground rider and a completed operations rider.

2. The District's representative shall review all applications for connections to the District's Systems. In the event that the District's representative finds that the materials to be used and the procedures and methods to be followed in laying the line and making the connection are equal to or better than the standards established by the Uniform Plumbing Ordinance, and the water and wastewater standard service details promulgated by the City of Austin Water and Wastewater Department, as amended from time to time, and are in compliance with all terms and conditions of the Rules, the District's representative may approve the application and the proposed connection, subject to such terms or conditions as the District's representative deems necessary or convenient to accomplish the purpose and objectives of the Rules.

B. Payment of Fees.

Any party desiring to make a connection to the District's water and wastewater system shall pay the appropriate water tap fee and/or sewer tap fee to the District's representative at the time the application for such connection is made. No connection shall be made until such fees are paid.

C. Tap and Inspection Fees.

1. The District's water tap fees shall be as follows:

<u>Meter Size</u>	<u>Tap Fee</u>
5/8"	\$400.00
3/4"	\$425.00
1"	\$650.00
1-1/2" and over 1-1/2"	To be installed by the District at cost times three

Water tap installation involving excavation for any tap 1-inch or smaller shall be performed by the District at cost plus 25% in addition to the above water tap fee.

2. The District's sanitary sewer tap fees shall be as follows:

Residential	\$ 400.00
Commercial	\$1,000.00

Sewer tap installation involving excavation shall be performed by the District at cost plus 25% in addition to the above sewer tap fee.

If more than one (1) inspection is required before a tap is approved by the District the fee for each additional inspection shall be \$25.00.

The owner of a water or sewer tap may transfer a purchased tap from one lot within that District to another lot within the District upon application to the District and shall pay the following transfer fee:

Water Tap Transfer	\$25.00
Sewer Tap Transfer	\$25.00

3. Expiration of Taps. Reservation of capacity through the pre-purchase of water and wastewater taps will expire eighteen (18) months after date of purchase of said tap.

4. Plumbing inspections of new residential and commercial construction shall be conducted by the District in accordance with Article 6243-101, §§ 2(5) and 5(B) of the Texas Civil Statutes, as amended in 2001. The District shall conduct a series of five inspections (rough-in, service lines, copper, top out and final). The fee for single family residences shall be \$300 for the five inspections. Such fee shall be due at the time the water and wastewater tap fees are paid. In the event of a failure, an additional charge of \$55 per additional inspection shall be charged. Irrigation system inspections shall be \$50 per inspection. The District's inspection fee for commercial structures, including apartment complexes, will be determined by the District's representative based upon the size and scope of such project. In the event the property is not accessible when a plumbing inspection appointment has been scheduled, such inspection will be deemed a failure.

D. Security Deposits. A security deposit per connection shall be paid to the District's representative by each residential customer prior to the initiation of service in the following amounts:

<u>Meter Size</u>	<u>Homeowner Security Deposit</u>	<u>Renter Security Deposit</u>
5/8"	\$150.00	\$200.00
3/4"	\$150.00	\$200.00
1"	\$150.00	\$200.00
1-1/2"	\$250.00	\$250.00

Security deposits shall not be transferable to another party and shall be held by the District to assure the prompt payment of all bills for water and wastewater services to the customer. Following twenty-four (24) consecutive months of prompt payment, when due, of the District's utility bills, a customer who owns and occupies a residence within the District and has no delinquent ad valorem taxes owed to the District on the property shall, upon written request to

the District's representative, be entitled to a refund of its security deposit; provided however, that the District may require the customer to replace the security deposit in the event the customer thereafter makes late payments for two (2) or more months within a twelve (12) month period or in the event service is terminated due to delinquent fees not being received prior to the termination date set forth in the notice for termination. A single family residential customer whose service is disconnected due to non-payment, violation of the District's Rules, or any other reason other than the customer's request will be required to deposit an additional security deposit of \$100 for each disconnection, up to a maximum deposit of \$550 for homeowners and \$600 for renters. A customer who is required to replace a deposit shall be subject to the requirements of this Rate Order. A security deposit per commercial connection shall be paid to the District's representative by each commercial customer in an amount equal \$75.00 times the number of fee units for the meter purchased as set forth in § 13 above or \$10,000.00 which ever is less.

At its option, the District may apply all or any part of a customer's security deposit against any delinquent bill of the customer. Upon discontinuation of service the deposit shall be applied against amounts due, including any disconnection fees, whether because of the customer's delinquency or upon the customer's request. Any portion of the deposit remaining after deduction of such amounts shall be refunded to the customer. In no event shall the security deposit bear interest for the benefit of the customer.

E. Landlord Deposits. The owner of a residential property used for rental purposes may, at his option, post a security deposit for such property to secure the provision of water and wastewater service to the property by the owner during temporary periods between rentals to tenants. The amount of the security deposit shall be the same as that set from time to time for rental units in this Order. The owner shall also be responsible for payment of any applicable service initiation fees set forth in this Order.

F. Transfers of Service Within the District. In the event a customer moves from one address within the District to another address within the District and immediately transfers service, the security deposit of the customer may be transferred to the new address. Such transfer is contingent upon the customer's paying the final bill for the previous address within the time limits set forth for prompt payment. If the customer has previously received a refund of his deposit pursuant to the "prompt payment" provisions set forth above, the customer may transfer his service without payment of a new deposit.

In the event payment of the final bill is not made when due, such deposit, if held by the District, shall be used toward payment of the final bill and an additional deposit shall be required to be made by the customer for the new address. Should the customer fail to pay such additional deposit, if required by the District, the account shall be delinquent and service may be terminated pursuant to Article IV below.

G. Transfer Fee. A customer who desires to transfer service from one address within the District to another address shall pay a transfer fee of \$30.00 and shall be collected at the time of the transfer of service.

H. Additional Charges. Any non-routine charges incurred by the District in connection with any water tap, sewer tap and/or inspection shall be the responsibility of the applicant for such connection and shall be payable to the District upon demand.

III. Water, Wastewater and Solid Waste Services.

A. Applications for Services. Any party desiring to receive Services from the District shall make an application for such service to the District's representative in the form approved by the Board of Directors of the District. All applications shall be made by the record owner or renter of the property for which service is being requested. Proof of residency shall be furnished to the District's representative upon request. Application fee is set at \$30.00.

B. Water, Sewer and Solid Waste Service Rates. The following rates and charges for the sale of water, the collection and disposal of sewage, and the collection and disposal of solid waste shall be in effect for customers within the District from the effective date of this Order.

1. General Provisions.

a. Bills for sewer service shall be computed: (i) on the basis of the average amount of water used by the customer during the winter season based upon the average of the monthly readings of the customer's water meter for the preceding December, January, and February; or (ii) on the basis of the customer's current monthly water bill, whichever is less.

b. If a residential customer does not have an acceptable history of water usage during the preceding December, January, and February the customer's monthly sewer bill shall be calculated based upon; (i) the customer's current monthly water usage; or (ii) on the basis of 8,000 gallons water usage per month, whichever is less.

c. If a nonresidential customer does not have an acceptable history of water usage during the preceding December, January, and February, the customer's monthly sewer bill shall; (i) be calculated based upon the customer's current monthly water usage; or (ii) be calculated by measuring actual sewage volume, on a basis acceptable to the District, at the expense of the customer, and correlating such volume to the schedule set forth below.

d. Anything herein to the contrary notwithstanding, no charge for wastewater service shall be made based on water used as a result of a Special Connection authorized pursuant to the Rules.

e. A customer may elect to have his bill paid by Visa or Mastercard credit card. The District's Representative shall provide the necessary applications for the customer's authorization to pay his bill by credit card. At any time should the credit card company refuse payment, the customer shall be notified in writing to make payment directly to the District.

2. Monthly Water, Wastewater and Solid Waste Collection Rates

In-District Residential:

Usage Charge per Fee Unit	\$35.00
(includes once a week solid waste collection, 1,000 gallons of water service and 1,000 gallons of wastewater service)	

Water Gallonage Charge	\$4.65 per 1,000 gallons over the first 1,000 gallons
Wastewater Gallonage Charge	\$6.40 per 1,000 gallons over the first 1,000 gallons
<u>In-District Commercial:</u>	
Water Usage Charge per Fee Unit (includes 1,000 gallons)	\$16.00
Water Gallonage Charge	\$6.75 per 1,000 gallons over the first 1,000 gallons
Wastewater Usage Charge per Connection	\$16.00
Wastewater Gallonage Charge	\$8.50 per 1,000 gallons over the first 1,000 gallons

3. Fire Hydrant Meter Fees. Sale of water on a temporary basis from fire hydrants within the District shall be requested from the District's representative. There shall be charged and collected for each fire hydrant meter a fire hydrant meter fee in the amount of \$100.00 per month or any part of a month plus the per 1,000 gallon usage rate for commercial as stated above. A customer using a fire hydrant meter during the wastewater averaging months shall pay the winter average so established so long as the customer uses said fire hydrant meter. Customers using a fire hydrant meter during non-winter averaging months shall pay for 8,000 gallons of wastewater at the per 1,000 gallonage rate for wastewater. A security deposit shall be paid to the District's representative at the time application is made for a fire hydrant meter in the amount of \$750.00. Such security deposit shall be refunded to the applicant at the time the meter is returned in good working order less any amounts due for damage to the meter.

4. Regulatory Assessment. The District shall charge each customer any regulatory assessment required by the Texas Commission on Environmental Quality.

5. Industrial Waste Annual Permit Fees. Each wastewater customer required by the District's rules to apply for and obtain a wastewater discharge permit shall pay an annual permit fee in the amount of \$150.00.

6. Industrial Waste Surcharge Fees. Each wastewater customer required by the District's rules to apply for and obtain a wastewater discharge permit prior to discharging waste into the wastewater system shall pay a monthly fee for testing, compliance and use of the wastewater system in the same amount charged to the District by the City of Austin for such customer's wastewater discharge, plus 15%.

IV. Delinquent Accounts.

A. The District shall bill each customer monthly for all services rendered in the preceding month, in substantial compliance with the procedures established in the City of Austin Utility Service Regulations. All bills shall be due on the due date as specified on the bills and shall become delinquent if not paid as set forth on the bills. If the due date falls on a weekend or

holiday, payment shall be due the following business day. For accounting purposes only, and with District board approval, the District's representative shall write off accounts receivable over ninety (90) days past due. This shall in no way relieve the past due customer of any liability for payment. The District's representative shall turn all overdue accounts over to a collection agency for appropriate action.

B. A late charge of ten percent (10%) of the amount of the bill shall be added for each monthly billing date the delinquent amount remains unpaid. If a bill remains delinquent for fifteen (15) days, water service shall be discontinued in accordance with this paragraph. Prior to termination, the customer shall be notified of the amount due by letter sent by United States Mail, First Class. Once notice of termination has been sent to a customer, payment of the amount due must be in the form of cash, cashier's check, or money order only. No personal checks will be accepted. A delinquent bill renders the entire account delinquent and the entire account must be paid in full in order to avoid interruption of service. The notice shall state the date upon which water service shall be terminated, which date shall be not less than seven (7) days from the date such notice is sent. Such notice shall state the time and place at which the account may be paid and that any errors in the bill may be corrected by contacting the District's representative, whose telephone number shall also be given in such notice. Provided, however, that in the event the customer contacts the District's representative within such seven (7) day period, the District's representative may, at its opinion, allow the customer to make arrangements to pay the delinquent amount in installments to be approved by the District's representative. After termination of service, payment by the customer of delinquent amounts due and reconnection charges shall be payable only by cash, money order or cashier's check, no personal checks will be accepted.

C. Water service shall be discontinued in accordance with this paragraph for any account for which a check for payment has been dishonored by the financial institution. Prior to termination, the customer shall receive a three (3) day notice of such termination by the District's representative's placing the notice at the customer's service address. Payment by the customer who has presented a dishonored check shall be made by cash, money order or cashier's check. Personal checks will not be accepted.

D. The District reserves the right to institute suit for the collection of any amounts due and unpaid, together with interest thereon at the maximum legal rate and reasonable attorneys' fees.

E. The District further reserves the right to charge a customer paying a bill with a check which is dishonored an amount established from time to time by the District's Representative, which amount shall be based on the prevailing or usual charges made for dishonored checks and drafts by other vendors in the same general area as the District.

V. Discontinuation of Service.

Charge for Reconnection. In the event of any discontinuation of service, whether because of customer's delinquency or upon a customer's request, the District shall charge the following charge per connection prior to reconnecting such customers:

1. Water System.

- | | | |
|-----|--|----------|
| (a) | when meter removed | \$100.00 |
| (b) | when meter not removed | \$ 45.00 |
| (c) | for weekend or after hours reconnection in addition
to 1(a) or 1(b) above | \$ 45.00 |

2. Wastewater System. Two times the cost to the District.

Such reconnect fee must be paid in the event payment of the delinquent amounts are not received prior to the termination date set forth in the notice for termination, regardless of whether or not service has been physically terminated.

VI. Unauthorized Use of Water, Unauthorized Deposit of Debris.

Any person, corporation or other entity which takes or uses water without prior authorization of the District or deposits debris, yard waste, garbage or other materials upon the property of the District, including District parks, drainage area, greenbelt and nature trails, violates this Rate Order and shall be subject to a penalty of \$1,000.00 for each breach of this provision. Each day that a breach of this section continues shall be considered a separate breach. All water use, other than by grants of the District, will be through a meter provided to the user by the District. The District shall not allow use of District water or connection to the District's water system until all outstanding penalties assessed have been paid. This penalty shall be in addition to the other penalties provided by the laws of the State and to any other legal rights and remedies of the District as may be allowed by law. Board determination of a violation is required in order to levy a penalty and upon such determination, notice in writing shall be delivered to the person, corporation or entity held in violation providing said person the opportunity to appear before the Board and address the imposition of said penalty.

VII. Transfer of Service.

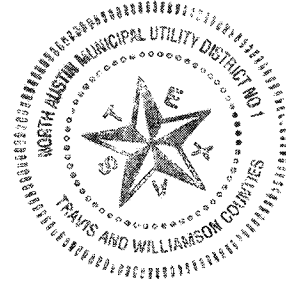
In the event service at an address is to be transferred from one customer name to another customer name there shall be assessed the following charge:

Transfer fee: \$5.00

VIII. The Secretary of the Board is hereby directed to file a copy of this Order in the principal office of the District.

PASSED AND APPROVED this 18th day of September, 2013.

(SEAL)



Alan McNeil, President
Board of Directors

ATTEST:

Jo Jones, Secretary
Board of Directors

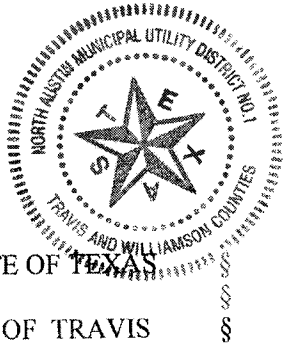
THE STATE OF TEXAS §
 §
COUNTIES OF TRAVIS §
 AND WILLIAMSON §

1. The Board of Directors of North Austin Municipal Utility District No. 1 convened in a regular meeting on the 18th day of September, 2013, at the District Community Center, 7617 Elkhorn Mountain Trail, Austin, Texas, and the roll was called of the duly constituted officers and members of the Board, to wit:


2. A true, full and correct copy of the Order adopted at the meeting described in the above paragraph is attached to this certificate; the Order has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein, each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place and subject to the meeting was given as required by Chapter 551 of the Government Code.

SIGNED AND SEALED this 18th day of September, 2013.

(SEAL)




THE STATE OF TEXAS
COUNTY OF TRAVIS


Jo Jones, Secretary
Board of Directors

This instrument was acknowledged before me on September 18, 2013, by Jo Jones, Secretary of the Board of Directors of North Austin Municipal Utility District No. 1, on behalf of said District.

(Seal)




Notary Public Signature

