

7. Negotiations resulting in your agreements with Central Texas.
8. Your discovery responses in this cause.
9. "True-ups" under the 2006 Contract.
10. Your decision to not participate in Kempner's water treatment plant.
11. Your decision to withhold payment of invoices received from Kempner.
12. Your contention that Kempner may not charge you for water treated at the Kempner water treatment plant.
13. Your contention that Kempner is required to exclusively deliver water from CTWSC at the City's Points of Delivery, pursuant to the 2006 Contract.
14. Expert advice you received during the negotiation of the formation of the 2006 Contract
15. Negotiations and communications between you and Kempner regarding amending the 2006 Contract.
16. Negotiations and communications between you and third parties regarding amending the 2006 Contract.
17. Your contention, if any as to whether the 2006 Contract is just and reasonable and without discrimination.
18. Your contention, if any as to whether the 2006 Contract is mutually beneficial to the parties.
19. Your contention, if any as to whether the 2006 Contract serves the public interest
20. Your contention that Kempner and its members should pay Central Texas Operation and Maintenance costs or other costs incurred for the sole benefit of the City.
21. Your contention as to Kempner's obligation to provide water to the city's during force majeure events.

22. Your contention as to what Kempner is permitted to bill the City if it delivers water during force majeure events.

23. Your contention that the 2006 contract is a full requirements contract obligating Kempner to deliver all water necessary to the City's points of delivery.

24. Your contention that the 2006 Contract is a "pass through" contract.

## CAUSE NO. 19005

CITY OF LAMPASAS, TEXAS	§	IN THE DISTRICT COURT
<i>Plaintiff</i>	§	
	§	LAMPASAS COUNTY, TEXAS
VS.	§	
	§	
KEMPNER WATER SUPPLY CORP.	§	
<i>Defendant</i>	§	27 <sup>TH</sup> JUDICIAL DISTRICT

**SECOND AMENDED ANSWER AND COUNTERCLAIM  
OF KEMPNER WATER SUPPLY CORPORATION**

NOW COMES Defendant and Counter-Plaintiff Kempner Water Supply Corporation, (hereinafter "Kempner" or "KWSC"), and files this, its Second Amended Answer and Counterclaim complaining of Plaintiff and Counter-Defendant City of Lampasas, Texas (hereinafter "Lampasas" or the "City"), and in support thereof would respectfully show the Court as follows:

**I.**

**SECOND AMENDED ANSWER**

**A. General Denial**

1.01 Kempner generally denies the allegations against it in the City's First Amended Petition and respectfully requests that the City be required to prove the claims and allegations made against it by a preponderance of the evidence as required by the Constitution and laws of the State of Texas.

**B. Defenses**

1.02 Pleading in the alternative, Kempner alleges that, if a breach of the 2006 Wholesale Water Supply Contract (hereafter "the Agreement") is found to have occurred, Kempner was denied the opportunity to cure the breach as required by the Agreement.

1.03 Pleading in the alternative, Kempner alleges that, if a breach of the Agreement is found to have occurred, Kempner's failure to comply with the Agreement is excused as the result of a mutual mistake.

1.04 Pleading in the alternative, Kempner alleges that, if a breach of the Agreement is found to have occurred, Kempner's failure to comply with the Agreement is excused as the result of a unilateral mistake.

1.05 Pleading in the alternative, Kempner alleges that, if a breach of the Agreement is found to have occurred, Kempner's failure to comply with the Agreement is excused by necessity to protect water quality as required federal and state law.

1.06 Pleading in the alternative, Kempner asserts that, if a breach of the Agreement is found to have occurred, such breach did not cause the City to suffer damages.

1.07 Pleading in the alternative, Kempner asserts that the Agreement is unenforceable as it is substantively unconscionable, against public policy under the Texas Constitution, Texas statutory law and common law.

1.08 Pleading in the alternative, Kempner asserts that the Agreement is unenforceable as it lacks consideration.

1.09 Pleading in the alternative, Kempner asserts that the Agreement is unenforceable due to an absence of consideration in its execution.

## II.

### SECOND AMENDED COUNTERCLAIM

NOW COMES Counter-Plaintiff, Kempner, complaining of Counter-Defendant, the City, and for cause of action, would show the Court as follows:

**A. Case Discovery Level**

2.01 Kempner would show the Court that this matter should be conducted under a Level 3 discovery-control plan, pursuant to Texas Rule of Civil Procedure 190.4.

**B. Parties**

2.02 Kempner is a water-supply corporation organized under the laws of the State of Texas. Its main office is located at 11986 U.S. 190 East, Kempner, TX 76539.

2.03 The City is a municipality organized under the laws of the State of Texas and may be served with process by serving its counsel of record in this matter.

**C. Jurisdiction and Venue**

2.04 The claims and controversies presented herein are within the jurisdictional limits of this Court, and the Court has jurisdiction to enter declaratory relief as set forth in the Declaratory Judgment Act.

2.05 Venue is proper in Lampasas County, Texas, pursuant to sections 15.062 *et. seq.* of the Texas Civil Practices & Remedies Code concerning venue of a counterclaim.

**D. Facts**

2.06 Kempner provides water to the City pursuant to the Agreement, dated August 26, 2006. The Agreement arose following litigation between Kempner and Central Texas Water Supply Corporation ("Central Texas" or "CTWSC"), in which the City intervened. In the Agreement, Kempner agreed to provide treated water to the City for a period of 80 years. Kempner also executed an agreement with Central Texas permitting it to purchase treated water for a period of 80 years ("the CTWSC Agreement"). The City does not have a contract with Central Texas to purchase treated water. The City has rights to capacity in Stillhouse Reservoir ("Stillhouse") but lacks the ability to treat or transport the water. The City relies on Kempner to transport treated water from Stillhouse to it at least 30 miles to the City's points of delivery.

2.07 Subsequent to entering the Agreement with the City, Kempner constructed its own water-treatment plant. The City was fully aware that Kempner had plans to build and operate a water-treatment plant when it entered into the Agreement with Kempner on August 26, 2006. Agreement, at Art. 1.1 (defining “[Kempner]’s New Facilities”). Kempner’s water-treatment plant became operational in 2010.

2.08 Over the last few years, Kempner has periodically delivered water to the City from its water-treatment plant. The City accepted the treated water that Kempner delivered to it from its water-treatment plant. Disputes have arisen between the City and Kempner concerning the Agreement. Many of these disputes involve the billing provisions under the Agreement. The City refused to pay certain amounts due Kempner under the Agreement, for which Kempner billed the City. After demand for payment was made upon the City, the City paid Kempner certain amounts under protest, and then filed this suit. The City has refused to pay portions of subsequent bills it has received from Kempner after filing this suit.

2.09 Billing disputes between Kempner and the City concern the following provisions of the Agreement:

2.10 **Treated Water Cost.** The Agreement states that the City pays for all water delivered through the meters from Kempner to the City, at the City’s points of delivery. *See* Agreement, at Art. 3.5(A). Specifically, the Agreement requires the City to pay Kempner for delivery of treated water at the rate of:

For each 1000 gallons of water delivered to the City at the City’s Points of Delivery, the City shall pay the amount per 1000 gallons that KWSC pays to CTWSC as CTWSC Treated Water Cost ... being the same rate per 1000 gallons of treated water charged by CTWSC to KWSC ... subject to annual adjustment as provided herein.

*Id.*

2.11 This provision of the Agreement governs the rate for all treated water that is provided at all of the City's points of delivery by Kempner. Kempner and Central Texas water will inevitably mix in the transmission line, and as agreed, the "treated water cost" the City is to pay is determined by the rate set for Central Texas treated water cost that Central Texas charges Kempner, no matter whether it is Kempner or Central Texas' treated water. The Agreement does not provide different rates for water depending on the source of the water.

2.12 **Central Texas Operation and Maintenance Expenses.** The Agreement requires the City and Kempner to share in the portion of Central Texas's operation and maintenance ("O&M") expenses that Central Texas bills to Kempner each month. Agreement, at Art. 3.5(c).

2.13 Central Texas O&M includes all direct costs and expenses incurred by Central Texas for general overhead expense, and also includes non-capital repairs. The Agreement also provides that, in the event that demand from the City and Kempner does not meet a minimum threshold (the "Floor") of 26.4% of Central Texas's overall production, the City is required to pay a proportionate share determined by the Agreement. This Floor, originally 42%, was negotiated by Kempner with Central Texas in their corresponding wholesale water supply contract, and later reduced when Kempner relinquished some of its reserved capacity, but Kempner did not relinquish any capacity that Kempner had reserved for the City's benefit.

### III.

#### CAUSE OF ACTION: DECLARATORY JUDGMENT

3.01 Kempner hereby incorporates the recitations and factual allegations as set forth in paragraphs 2.01 through 2.13.

3.02 The City disputes its obligations under the Agreement to pay for Kempner treated-water costs and for Central Texas O&M.

3.03 Kempner requests a declaration by this Court that, under the Agreement, the City is required to: (1) pay Kempner for treated water that is delivered by Kempner to the City's points of delivery at the same rate per 1,000 gallons as Kempner pays Central Texas for treated water, no matter the source of the water delivered to Kempner; (2) pay a proportionate share of the Floor—of 26.4% of Central Texas' overall production—in the event demand does not meet the Floor; <sup>and</sup> (3) pay for Central Texas O&M as set forth in the Agreement regardless of how much of the water supplied by Kempner to the City is produced by the Kempner treatment plant or the Central Texas treatment plant.

#### IV.

#### ATTORNEYS' FEES

4.01 Kempner incorporates herein the recitations and allegations contained at paragraphs 2.01 through 2.13 as if fully set forth at length.

4.02 Kempner seeks judgment against the City, for its reasonable and necessary attorney fees, costs and expenses incurred in the prosecution and defense of this action and as permitted by law in accordance with sections 37.001 *et. seq.* and 38.001 *et. seq.* of the Texas Civil Practice and Remedies Code.

#### PRAYER

WHEREFORE, Kempner, prays the City, be cited to appear and answer herein as provided by law, and that upon final hearing hereof that, Kempner take judgment against the City as follows:

1. The City take nothing by its suit against Kempner;
2. Kempner be awarded the declaratory relief requested by it;
3. Kempner be awarded its reasonable and necessary attorneys' fees in prosecution and defense of this suit;



4. Kempner be awarded its costs of court, pre-judgment and post judgment interest at the maximum rate permitted by law, and such other and further relief at law or in equity to which the Kempner may be justly entitled.

Respectfully submitted,

DAVIDSON TROILO REAM & GARZA, P.C.  
7550 West IH-10, Suite 800  
San Antonio, Texas 78229-5815  
Telephone (210) 349-6484  
Facsimile (210) 349-0041

By: Lea A. Ream

Lea A. Ream

State Bar No. 16636750

Patrick W. Lindner

State Bar No. 12367850

William A. Faulk, III

State Bar No. 24075674

**ATTORNEYS FOR DEFENDANT/**

**COUNTER-PLAINTIFF**

**KEMPNER WATER SUPPLY CORP.**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 9<sup>th</sup> day of March, 2015, a true and correct copy of the foregoing document was filed with the Court and served electronically to the parties listed below:

David P. Lein

[dlien@gdhm.com](mailto:dlien@gdhm.com)

via facsimile (512) 536-9917

Helen Currie Foster

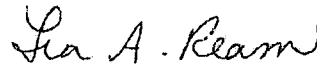
[hfooster@gdhm.com](mailto:hfooster@gdhm.com)

via facsimile (512) 536-9917

Graves Dougherty Hearon & Moody, P.C.

401 Congress Avenue, Ste. 2200

Austin, TX 78701



---

Lea A. Ream

CAUSE NO. 19005

CITY OF LAMPASAS, TEXAS	§	IN THE DISTRICT COURT OF
	§	
VS.	§	LAMPASAS COUNTY, TEXAS
	§	
KEMPNER WATER SUPPLY CORP.	§	27TH JUDICIAL DISTRICT

**ORDER GRANTING THE CITY'S AMENDED MOTION FOR SUMMARY  
JUDGMENT**

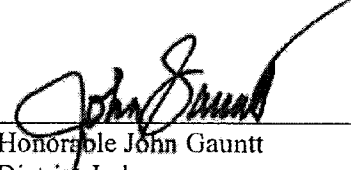
On this day came to be heard Plaintiff and Counter-Defendant City of Lampasas's Amended Motion for Summary Judgment and Defendant and Counter-Claimant Kempner Water Supply Corp.'s Motion for Partial Summary Judgment. After considering the Motions, the evidence, the pleadings on file with the Court, and the arguments of counsel, the Court finds that the City's Motion has merit and should be GRANTED. The Court also finds that Kempner's Motion lacks merit and should be DENIED. Accordingly, it shall be, and is hereby

ORDERED, ADJUDGED AND DECREED that the City's Amended Motion for Summary Judgment is GRANTED **AS SHOWN ON THE ATTACHED PAGE** ~~in all respects~~ and Kempner's Motion for Partial Summary Judgment is DENIED in all respects.

In addition, the City's objections to Kempner's Summary Judgment Evidence shall be, and are hereby, GRANTED. Kempner's objections to and motion to strike the City's summary judgment evidence shall be, and are hereby, DENIED.

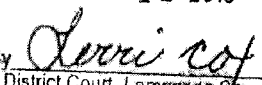
SIGNED this \_\_\_\_\_ day of ~~December~~, 2014.

JAN 12 2015

  
Honorable John Gauntt  
District Judge

FILED  
a.m. 3:00 p.m. o'clock

JAN 12 2015

By  Clerk  
District Court Lampasas County, Tx

protest in response to Kempner's June 2013 Notice of Default.

**VII. CONCLUSION AND PRAYER.**

WHEREFORE, premises considered, the City of Lampasas respectfully requests that the Court enter an order granting this motion and awarding the City:

1. A declaration that Kempner may not charge the City for water treated by Kempner;
2. A declaration that the City may only be charged a floor penalty where its demand for water is less than the applicable floor;
3. A finding that Kempner breached the Contract by charging a Kempner Treated Water Cost;
4. A finding that Kempner breached the Contract by imposing a floor charge where the City's demand exceeded the Central Texas floor;
5. In the alternative, a finding that Kempner waived any rights it might have during the 2011, 2012 and 2013 "leak ups";
6. Damages in the amount of \$117,432.27; and
7. Such other and further relief, at law or in equity, to which the City of Lampasas may show itself to be justly entitled.



GRAVES DOUGHERTY HEARON & MOODY  
A PROFESSIONAL CORPORATION

David P. Lein  
512.480.5717  
512.538.9917 (fax)  
dlein@gdhn.com

401 CONGRESS AVE., SUITE 2200  
Austin, TX 78701-3790

October 31, 2014

Lee A. Ream  
Cody Faulk  
Davidson Troilo Ream & Garza, P.C.  
7550 West IH-10, Suite 800  
San Antonio, TX 78229-5815

via email to lream@dtgrlaw.com and cfaulk@dtgrlaw.com

Re: *City of Lampasas, Texas v. Kempner Water Supply Corp.*; Cause No. 19005; In  
the 27<sup>th</sup> Judicial District Court, Lampasas County, Texas

Dear Counsel:

This letter is intended to memorialize the parties' agreement with respect to Kempner's billing for treated water cost for water from Kempner's own water treatment plant, pending trial of the above referenced cause. This Rule 11 agreement supplements but does not replace the parties' September 26, 2014 Rule 11 agreement, except with respect to Kempner's billing for treated water cost for water from Kempner's own water treatment plant.

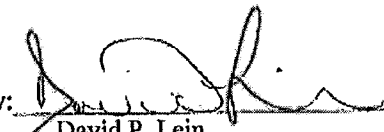
It is understood that the parties have a dispute about whether Kempner may bill for treated water from its plant. This is the subject of the above referenced litigation. The parties agree that until and through the last day of any trial of this cause, Lampasas will not have to pay for Kempner treated water previously billed by Kempner, nor will Kempner demand payment or issue further such bills, or notices of default for the City's failure or refusal to remit such payments.

This agreement shall in no way be considered or declared a waiver of Kempner's or Lampasas's contractual rights or right to pursue judicial, administrative, equitable or any other relief. It shall also not be considered or declared an admission that any such relief is available or appropriate. Kempner and Lampasas further agree that this agreement will not be offered as evidence in any court or administrative proceeding except to enforce the terms of this agreement.


October 31, 2014  
Page 2

Sincerely,

GRAVES, DOUGHERTY, HEARON & MOODY, PC

By:   
David P. Lein

AGREED:

  
Lea Ream  
Cody Faulk  
Attorneys for Kempner Water Supply Corporation



DAVIDSON  
TROILO  
REAM &  
GARZA PC  
ATTORNEYS AT LAW

Lea A. Ream  
210.442.2313 Direct  
[lream@dtirlaw.com](mailto:lream@dtirlaw.com)

September 26, 2014

David Lein  
Helen Currie Foster  
Graves Dougherty Hearon & Moody  
401 Congress Ave.  
Austin, TX 78701

Re: Cause No. 19005  
City of Lampasas, Texas v. Kempner Water Supply Corporation

Helen & David:

This letter is to confirm the parties' agreement to continue settlement negotiations and to participate in a second mediation in the above referenced matter that is presently set for trial on December 15, 2014. The agreement to continue settlement discussions and to participate in mediation is conditioned upon the following terms to which the Parties agree:

It is understood that the parties have a dispute about whether Kempner may bill for treated water from its plant. This is the subject of the above referenced litigation. While the parties are discussing settlement, the parties agree that during the term of this agreement as defined below: (i) Lampasas will not have to pay for Kempner treated water previously billed by Kempner, nor will Kempner demand payment or issue further such bills, or notices of default for the City's failure or refusal to remit such payments; and (ii) the cure period for notices of default issued since July 1, 2014 is tolled until the expiration of this agreement.

Secondly, Kempner will provide documents responsive to Lampasas' Third Request for Production and any other outstanding formal or informal requests for documents by Friday, September 26<sup>th</sup>, 2014 at the office of Lampasas' attorneys.

Thirdly, the parties agree to convene a mediation with Eric Galton to further discuss settlement of this cause, with each party bringing to the mediation less than a quorum of its governing representatives. In addition to its City Manager, no fewer than three members of the Lampasas City Council will attend the mediation. In addition to its General Manager, no fewer than three members of Kempner's Board of Directors will attend the mediation.

This term of this agreement extends from execution until 14 days after the agreed mediation takes place to allow for follow up negotiations to take place. This agreement may be extended by mutual agreement.

PCD#232699

MAINTAINING A TRADITION OF TEXAS VALUES SINCE 1962

7550 W. INTERSTATE 10, SUITE 800 SAN ANTONIO, TX 78229-5815 T 210 349 6484 F 210 349 0041 DTIRGLAW.COM

This agreement shall in no way be considered or declared a waiver of Kempner's or Lampasas's contractual rights or right to pursue judicial, administrative, equitable or any other relief. It shall also not be considered or declared an admission that any such relief is available or appropriate. Kempner and Lampasas further agree that this agreement will not be offered as evidence in any court or administrative proceeding except to enforce the terms of this agreement.

If this letter accurately reflects our agreement please sign where indicated below and return it to me by facsimile. If this letter does not accurately reflect our agreement, please contact me immediately. This agreement will only be filed with the Court upon the need of either party to enforce such agreement.

Your professional courtesies in this matter are appreciated.

Sincerely,



Lea A. Ream  
For the Firm

AGREED:



David Lein  
Helen Currie Foster  
Counsel for Plaintiff  
City of Lampasas





DAVIDSON  
TROILO  
REAM  
GARZA

JOHN W. DAVIDSON ARTHUR TROILO CHEREE TULL KINZIE R. GAINES GRIFFIN RICHARD E. HETTINGER  
PATRICK W. LINDNER RICHARD D. O'NEIL J. MARK CRAUN LEA A. REAM FRANK J. GARZA JAMES C. WOO  
RICHARD L. GROZIER R. JO RESER STEVEN M. PEÑA PAUL M. GONZÁLEZ LISA M. GONZALES  
DYLAN O. DRUMMOND JESSIE LOPEZ BRYAN M. KORRI WILLIAM A. FAULK, III  
OF COUNSEL J. TERRY TOPHAM KEITH A. KENDALL DAVID R. RANGEL

210.442.2310 Direct Dial  
plindner@dtrglaw.com

September 11, 2013

**VIA: Certified Mail RRR**

Ms. Helen Currie Foster  
Graves Dougherty Hearon & Moody, PC  
P. O. Box 98  
Austin, Texas 78767-9998

Re: Kempner Water Supply Corporation

Dear Ms. Foster:

We serve as general counsel for Kempner Water Supply Corporation ("KWSC"). Please direct future communication to us.

KWSC management asked us to respond to your letter to KWSC's manager dated August 21, 2013, and the letter by Mr. Finley deGraffenried, city manager for the City of Lampasas ("City") dated August 2, 2013, relating to current billing issues. We are also asked to raise several other issues that have been the topic of discussions between our clients.

I. Current Billing Issues.

We offer the following responses to the topics included in your letter.

1. CTWSC O&M:

Section 3.5 (B)(1) of the contract does not refer to the "floor" as a "penalty." It states that the City will pay CTWSC O&M based on the amount of water delivered to KWSC by CTWSC, and describes how to compute the CTWSC O&M Expense.<sup>1</sup> Nowhere does the contract require KWSC to take the same amount of water from CTWSC as KWSC delivers to City.

2. KWSC Treated Water Cost:

The contract states that City pays for all water delivered through the meters from KWSC to City, with the rate to be determined by the rate CTWSC charges

<sup>1</sup> Section 3.5.B.1 states "to the extent that any floor applies to CTWSC O&M Expense in a given month, the City and KWSC will pay that increment based on . . . 63% for the City and 37% for KWSC." The same section also states "the percentage created by dividing the volume of treated water delivered to KWSC by the total volume of treated water delivered to all customers of CTWSC and multiplying by 100, and to which is billed to KWSC by CTWSC."

Ms. Helen Foster  
September 11, 2013  
Page 2

KWSC.<sup>2</sup> The source of the water that flows through the meter is immaterial. Nowhere does the contract require KWSC to take the same amount of water from CTWSC as KWSC delivers to City. No adjustment to the bill is required or will be made.

3. KWSC O&M.

a. Capital costs.

Steps have been taken to provide the information required by the contract and to adjust the bill to deduct the disputed charges that are not due at this time. Certain deducted items will be recovered from other accounts or recovered as part of the annual true-up. KWSC expects City to pay all operation and maintenance expenses, regardless of whether the expense is classified as a non-capital or capital expense, with the difference being only the factors used to allocate the expense. A revised bill showing the adjustment relating to this item is attached.

b. Tank Maintenance Costs.

The disputed charge was not for repair or maintenance of the tanks but for a required annual inspection reports for the Hewgley and Georgetown Tanks. The copy of the inspection report invoice was attached to KWSC's invoice explained the purpose of this charge. No adjustment to the bill is required or will be made.

c. Lightning Strike Costs.

KWSC filed an insurance claim for this damage but it has not received a response as to whether the claim will be paid. When or if it receives the claim funds, KWSC will give the City a credit for their appropriate charge, less their portion of the deductible. Copies of the repair invoices were attached to KWSC's original invoice and indicate that the equipment and related labor costs were for the repair and replacement of damaged parts. No adjustment to the bill is required or will be made.

4. Past Due Charge.

The charges for "Treated Water Cost" is due and payable under the contract for the reasons stated in item 2 above. The CTWSC Capital Contribution is also due and payable under the contract.<sup>3</sup> The contract provides for interest on past due amounts.<sup>4</sup> No adjustment to the bill is required or will be made.

<sup>2</sup> Section 3.5.A states "For each 1000 gallons of water delivered to the City at the City's Points of Delivery, the City shall pay the amount per 1000 gallons that KWSC pays to CTWSC as CTWSC Treated Water Cost . . . ."

<sup>3</sup> Section 3.5.F. states, in part: "The City shall pay \$0.08 per 1000 gallons received by the City ('CTWSC Capital Contribution') which KWSC shall pay into the CTWSC Capital Investment Account . . . ."

<sup>4</sup> Section 3.10 states, in part: "Payments not made when due shall bear interest at the compounded rate of one percent per month on the amount due from their due date until paid."

Ms. Helen Foster  
September 11, 2013  
Page 3

## II. Correction of Prior Bills.

KWSC discovered last year that prior monthly charges may not have been calculated in accordance with contract provisions. The relevant provisions are summarized in the attachment titled, "Billing Methodology for City of Lampasas Monthly Bill from KWSC in Accordance with the 2006 Wholesale Water Supply Agreement." Attached is also a detailed audit of the KWSC bills to City for the months of March, 2010 through the most recent bill for May, 2013. The corrected amounts show an under-billing by KWSC to City over these months.

## III. Hwy. 195 Pump Station.

KWSC is underway with repairs to the SH195 Pump Station that are aimed to prevent further pumping outages and to provide a safe work environment for KWSC employees, contractors, and regulators. During summer 2012, KWSC simultaneously lost the service of two of five pumps due to failed electrical wiring and equipment. In addition, the electrical cabinet doors had to be left open to prevent overheating and failure of electrical equipment. The repair being performed by the contractor will bring the pump station into compliance with NEC electrical codes and will allow the pump station to operate properly in the future under the extreme Texas heat. Because City did not contribute funds towards the repairs and did not allow the use of funds in the Joint Use Facilities System Account, KWSC had to use reserve funds and to borrow money in order to perform the repair. Lost earnings and the cost of issuance of debt and interest on the debt will be added to the future cost of the repairs.

KWSC expects City to pay its share of the cost to maintain this critical pump station. These repairs are required to satisfy TCEQ regulatory requirements as set forth in Section 291.46, relating to minimum acceptable operating requirements. City approved this work and classified it as a capital repair. Section 3.5 (C)(5), requires a capital policy that, among other goals, "permits proper KWSC O&M Cost allocations in accordance with accepted principles and policies of the American Water Works Association. Assuming, for the sake of settlement discussions only, that the Hwy 195 repair is capitalized repair, AWWA principles and policies require that "capital repairs" be allocated based upon capacity of the component being repaired.<sup>5</sup>

Section 3.1 (B)(3) states an agreement that City is allocated 3.51 MGD of the capacity of the Hwy 195 pump station. The current total rated capacity of the Hwy 195 pump station is 7.2 MGD. Accordingly, City is responsible for 0.4875 percent of the costs of the repairs. Had City timely contributed funds for this repair or allowed the use

<sup>5</sup>American Water Works Association, Principles of Water Rates, Fees, and Charges, Manual M-1 at page 60. "In the cash basis of revenue requirements, the sum of the annual debt service, debt-service reserves, and *annual capital costs not financed through debt* would be allocated to the cost components in the same proportion or ratios as the allocation of the utility's fixed assets." (emphasis added).

Ms. Helen Foster  
September 11, 2013  
Page 4

of the Joint Use Facilities Account, KWSC would not have had to use reserve funds or to borrow money, so City is solely responsible for the lost earnings and cost of debt issuance relating to this repair.

#### IV. Contract Subsidies.

Please understand that City's interpretation of the contract regarding allowed charges and funding of "capitalized" repairs further exaggerates the substantial subsidy embedded in the contract of the City's customers by KWSC's customers. This subsidy will need to be addressed at the appropriate time and forum.

#### V. Notice of Default.

This letter is intended to be a Notice of Default as contemplated under section 5.2 of the contract due to City's failure to timely pay the amounts owed and due to KWSC under the contract. However, in order to avoid creating an issue regarding the notice of default, KWSC will be sending a separate Notice of Default to the City under separate cover.

#### VI. Conclusion.

Please call me to discuss options for dispute resolution. Due to the amount of the payment withheld by City, a prompt resolution will be required.

Sincerely,



Patrick W. Lindner  
For the Firm

PWL/ec

Attachments:

Corrected invoice for service during July 2013 showing adjustment to KWSC O&M  
Billing methodology summary  
Audit of bills from March 2010 to May 2013

Cc via email (w/attachments):

Delores Goode  
Linda Loux  
Perry Steger, P.E.

**Kempner Water Supply Corporation**

P O Box 103 Kempner, TX 76539

512-932-3701 fax 512-932-2546

August 12, 2013

Month of July 2013 Revised Invoice

City of Lampasas  
312 E 3rd St.  
Lampasas, TX 76550

Account #375

KWSC Phase I Debt Service RD Loan 9106				\$	17,292.03
KWSC O & M				\$	4,165.11
KWSC O & M Chemicals				\$	131.16
CTWSC Service RD Loan 9101				\$	591.57
CTWSC O & M					
	\$122,753.28	x	26.4700%	\$	32,492.79
Kempner Portion of CTWSC O & M				\$ (18,946.37)	\$ 13,546.42
City - Treated Water					
Electric	60,618,000	gallons X		\$ 0.1744	\$ 10,571.78
Chemical	60,618,000	gallons X		\$ 0.1048	\$ 6,352.77

\* 3.5.A, 2006 Wholesale Water Supply Contract: Treated Water Cost: For each 1000 gallons of water delivered to the City at the City's Points of Delivery, the City shall pay the amount per 1000 gallons that KWSC pays to CTWSC being the same RATE per 1000 gallons of treated water charged by CTWSC to KWSC during the month.

City - CTWSC Capital Contributions	60,618,000	gallons X	\$	0.089888	\$	5,448.83
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See 3.5.f of 2006 Wholesale Supply Contract - The City shall pay \$0.08 per 1,000 gallons received by the City ("CTWSC Capital Contribution") which KWSC shall pay into the CTWSC Capital Investment Account.

City - Bartlett Electric Cost @ Chapparral	\$	21,386.49	X	39.5700%	\$	8,462.62
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Sub-total	\$	66,562.30
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Credit for June 2013 Billing for CTWSC O & M correction	\$	(606.71)
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July-2013 Total Due KWSC	\$	65,955.59
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Check # 117565 dated 08/27/13	\$	(52,225.69)
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Unpaid Balance	\$	13,729.90
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Outstanding balance as of 06/2013 forward	\$	1,017.86
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1% Interest (compounded monthly)	\$	20.36
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Water Audit Billing as of 05/2013	\$	54,868.98
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1% Interest (compounded monthly)	\$	548.69
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Please remit by the 15th of the month or 10 days following receipt of invoice

Outstanding Balance	\$	70,185.79
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**Kempner Water Supply Corporation**  
**P O Box 103 Kempner, TX 76539**  
**512-932-3701 fax 512-932-2546**  
**WORKSHEET**

<u>Meter Readings</u>	7/31/2013		
<u>Points of Delivery</u>	Forward	Reverse	Total
190 Meter Site	47,546,000	-	47,546,000
580 Meter Site	13,072,000	-	13,072,000
<b>Total Recorded Gallons</b>		<b>Unread Gallons</b>	-
			<b>60,618,000</b>

**FORMULA TO FIGURE CTWSC O & M**

CTWSC Gallons to Kempner	
- Total Production	165,001,586
Multiplied by 100 = City's %	

CTWSC Gallons	39,723,000
WTP Gallons	113,469,000
<b>Total</b>	<b>153,192,000</b>

**Bartlett Electric- Section 3.5 D**

Electrical Water Tower, Wells & Chaparral  
City's Percentage

	21,386.49
	39.5700%
<b>Total \$</b>	<b>8,462.62</b>

CTWSC Gallons to Kempner	39,723,000
Total CTWSC Production	165,001,586
KWSC Volume Percentage	24.0743%
CTWSC Total O & M	\$122,753.28
O & M Bill Based on Volume	\$ 29,552.01
<u>Total City Water</u>	60,618,000
Total KWSC & CTWSC Water	153,192,000
City Percentage	39.5700%
City Bill w/o floor	\$ 11,693.73
CTWSC O&M paid by KWSC	\$ 18,946.37

<b>Floor Applies</b>	<b>Floor</b>
KWSC Floor Percentage	26.4700%
CTWSC Total O & M	\$ 122,753.28
O & M Bill Based on Floor Percentage	\$ 32,492.79
Floor Increment	2,940.80
City Percentage of Floor Increment	63%
City Dollar Portion of Floor Increment	\$ 1,852.69
City Bill w/o Floor	\$ 11,693.73
<b>Total City O &amp; M Bill</b>	<b>\$ 13,546.42</b>

**Billing Methodology for City of Lampasas Monthly Bill from Kempner WSC  
In Accordance with the 2006 Wholesale Water Supply Contract  
August 19, 2013**

Section 3.5 of the 2006 Wholesale Water Supply Contract between the City and KWSC specifies the method for calculating the six components of the monthly invoice to the City. The six components, along with a summary of the method for calculating each component follows:

**A. Treated Water Cost**

For each 1000 gallons delivered to the City at the City's two metered Points of Delivery, the City shall pay the amount per 1000 gallons that KWSC paid to CTWSC for the particular month. This portion of the bill only includes CTWSC electrical and chemical costs directly associated with treating water at the CTWSC Water Treatment Plant and pumping the water to the State Highway 195 Pump Station ground storage tank.

Each month, KWSC will use the rate per 1000 gallons charged by CTWSC for electricity and chemicals to compute the rate to be charged to the City. KWSC will then multiply this rate times the volume of water delivered to the City to compute Treated Water Cost.

**B. CTWSC Operating and Maintenance Expenses**

There are two components to the CTWSC O&M Expense calculation: KWSC's pro rata share of CTWSC O&M Expenses, and a take-or-pay "floor" charge to bring KWSC's pro rata share up to 26.47% of total CTWSC O&M in the event that the volume take by KWSC is less than 26.47% of total volume produced by CTWSC. KWSC uses the following method to compute the City's bill for each of these two components:

1. KWSC's pro rata share of CTWSC O&M Expenses will be multiplied by City Percentage to compute City's share of CTWSC O&M Expenses.
2. In months that KWSC's pro rata share falls below 26.47% (the floor), CTWSC will increase KWSC's portion of O&M Expenses from its pro rata share up to 26.47%. KWSC will compute City's share of this additional portion of CTWSC O&M Expense by multiplying by 63%.

KWSC will add the City's share of these two components to compute City's overall share of CTWSC O&M Expenses.

**C. KWSC O&M Cost on KWSC System**

KWSC shall use "City Percentage" to compute City's share of KWSC O&M Cost. KWSC O&M Cost shall include all direct costs and expenses for non-capital repair and maintenance used in conveying treated water to City, excluding costs of repair and maintenance of Covered Tanks. All work shall be summarized on Work Orders, and direct labor costs shall include an additional 40% multiplier to cover administration and overhead costs. Independent contractor fees shall have an additional 10% multiplier to cover administrative and overhead costs. KWSC shall compute costs associated with line breaks and estimated water loss each month, and shall apply City Percentage to these costs for the month in which line breaks and water loss occurred.

**Billing Methodology for City of Lampasas Monthly Bill from Kempner WSC  
In Accordance with the 2006 Wholesale Water Supply Contract**

**D. KWSC Energy Cost and KWSC O&M Cost on KWSC Purchased Facilities**

This section of the contract refers specifically to costs associated with the SH195 Pump Station, 2MG ground storage tank, and transmission main from SH195 Pump Station to Ivy Mountain Tank.

KWSC shall multiply all O&M costs, including electrical costs, associated with the SH195 Pump Station, including the 2MG ground storage tank and transmission main to Ivy Mountain Tank, times City Percentage to compute City's share of KWSC O&M Cost on KWSC Purchased Facilities.

**E. Tank Maintenance Cost**

KWSC shall maintain a Tank Maintenance Account to cover the cost of maintaining Covered Tanks (Hewgley 2MG, Hewgley 0.25MG, Georgetown Road, SH195 2MG Ground Storage, and Ivy Mountain 2MG). KWSC shall use the funds in this account to pay for tank maintenance costs of these tanks. City shall periodically pay into this account based on estimated annual tank maintenance costs. City's portion of the maintenance of this account shall be computed using City Percentage.

**F. CTWSC Capital Contribution**

The City shall pay \$0.08 per 1000 gallons received by the City, subject to certain escalator provisions and special covenants outlined in the contract.

The escalator provision allows for a 6% increase to the original \$0.08 figure every three years. Currently CTWSC has implemented two 6% increases, and therefore the current CTWSC Capital Contribution stands at \$0.089888 per 1000 gallons, computed as follows:  $\$0.08 \times 1.06 \times 1.06 = \$0.089888$ .

The special covenant requires KWSC to pay to CTWSC the CTWSC Capital Contribution (currently \$0.08988 per 1000 gallons) for each 1000 gallons of water delivered by CTWSC to KWSC each month. We recognize that there will rarely be a month where the volume of water delivered to the City will match the volume of water taken from CTWSC. In months where more water is taken from CTWSC than delivered to City, KWSC will make up the difference from its own accounts. In months where less water is taken from CTWSC than delivered to City, City will still pay the Capital Contribution amount based on volume of water received by City multiplied by the CTWSC Capital Contribution rate for that month.

KWSC will use its best efforts to ensure that CTWSC only charges Capital Contribution in months defined as Contribution Months, where the CTWSC Capital Investment Account Balance does not exceed \$2,500,000.

In addition to these six items covered in Section 3.5 of the Contract, KWSC also collects Debt Service of \$17,292.03 for the Phase 1 RD Loan 91-01, and \$591.57 for CTWSC RD Loan 91-01.



	A	B	C	D	E	F
1	Lampasas Monthly Invoice					
2	Month:	March-10	April-10	May-10	June-10	July-10
3	CTWSC Invoice Data:					
4	Water Taken:	81,937,000	78,700,000	20,632,000	27,293,000	96,654,000
5	Total Water Produced:	149,403,501	146,819,834	114,834,151	140,441,343	190,385,170
6	Total O&M for CTWSC:	109,911.49	87,779.69	76,514.15	117,230.12	137,195.46
7	Total Electrical:	35,405.57	30,440.60	32,445.62	26,998.04	35,480.14
8	Total Chemical:	10,218.11	3,821.34	17,232.71	10,355.69	16,324.14
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	42.00%	42.00%	42.00%	42.00%	42.00%
12	Percent Taken:	54.84%	53.60%	17.97%	19.43%	50.77%
13	Percent O&M due:	54.84%	53.60%	42.00%	42.00%	50.77%
14	O&M Cost not subject to floor:	60,278.49	47,052.65	13,747.13	22,782.19	69,651.36
15	O&M Cost subject to floor:	-	-	18,388.81	26,454.46	-
16	O&M Cost Total:	60,275.46	47,052.65	32,135.94	49,236.65	69,651.36
17						
18	Capital Investment Cost:	6,948.26	6,673.76	1,749.59	2,314.45	8,195.26
19	Electrical Cost:	0.2370	0.2073	0.2825	0.1922	0.1864
20	Chemical Cost:	0.0684	0.0260	0.1501	0.0737	0.0857
21	Water Production Cost:	0.3054	0.2333	0.4326	0.2659	0.2721
22	Total Cost per kgals (O&M, Cap, Elec, chem):	1.1259	0.9160	1.1837	1.1854	1.0775
23	Cost of Water:	25,023.56	18,360.71	8,925.40	7,257.21	26,299.55
24	Total Calculated Invoice from CTWSC:	93,186.28	73,026.12	43,749.93	59,747.31	105,086.17
25	Actual Invoice from CTWSC:	93,189.31	73,026.11	43,749.93	59,747.30	105,086.17
26	Overbilled by CTWSC:	3.03	(0.01)	-	(0.01)	-
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	17,062,000	17,390,000	22,009,000	35,628,000	23,646,000
31	191 Meter Site (Reverse)	(25,000)	(2,000)	(3,000)	(1,000)	(219,000)
32	580 Meter Site (Forward)	12,480,000	10,691,000	9,932,000	16,715,000	10,795,000
33	581 Meter Site (Reverse)	(614,000)	(456,000)	(211,000)	(237,000)	(84,000)
34	Total Water Delivered:	28,903,000	27,623,000	31,727,000	52,105,000	34,138,000
35						
36	CTWSC Water Received:	81,937,000	78,700,000	20,632,000	27,293,000	96,654,000
37	KWSC Water Produced:	-	-	71,959,000	112,418,000	-
38	Total Water Produced:	81,937,000	78,700,000	92,591,000	139,711,000	96,654,000
39	City Percentage (delivered/produced)	35.2747%	35.0991%	34.2657%	37.2948%	35.3198%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	14,456.08	16,363.07	18,124.40	20,935.85	25,779.12
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	489.39	7,449.99	1,594.09	436.84	211.91
48	KWSC O&M Chemicals:	-	-	105.16	114.46	192.70
49	CTWSC RO Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RO Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	21,263.06	16,515.06	4,710.55	8,496.57	24,600.72
53	City Dollar Portion of Floor:	-	-	11,584.95	16,666.31	-
54	CTWSC O&M Bill:	21,263.06	16,515.06	16,295.50	25,162.88	24,600.72
55	City CTWSC Electrical:	6,850.01	5,726.25	8,962.88	10,014.58	6,363.32
56	City CTWSC Chemical:	1,976.97	718.20	4,762.22	3,840.14	2,925.63
57	City CTWSC Capital Contributions:	2,450.97	2,342.43	2,690.45	4,418.50	2,894.90
58	City Bartlett Electric Cost at Chaparral	5,099.34	5,743.29	6,210.45	7,807.98	9,105.13
59	Tank Maintenance (City's Portion):					
60	Total Due (computed bill):	56,013.34	56,378.82	58,504.35	69,678.98	64,177.91
61	Total Due (actual bill):	56,012.67	56,378.30	53,219.07	64,474.17	64,128.04
62	Overbilled by KWSC:	(0.67)	(0.52)	(5,285.28)	(5,204.81)	(49.87)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 39,012.40	\$ 30,537.59	\$ 15,840.44	\$ 24,073.77	\$ 45,050.64

	A	G	H	I	J	K
1	Lampasas Monthly Invoice					
2	Month:	August-10	September-10	October-10	November-10	December-10
3	CTWSC Invoice Data:					
4	Water Taken:	111,255,000	45,282,000	12,656,000	25,602,000	40,687,000
5	Total Water Produced:	238,392,589	121,377,046	93,282,164	102,698,650	110,510,352
6	Total O&M for CTWSC:	83,995.49	87,642.43	96,403.59	81,932.22	105,821.44
7	Total Electrical:	45,568.79	49,622.43	31,546.23	26,641.18	28,577.57
8	Total Chemical:	20,566.39	35,245.94	17,575.41	4,998.00	11,110.08
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	42.00%	42.00%	42.00%	42.00%	42.00%
12	Percent Taken:	46.67%	37.91%	13.57%	24.93%	36.82%
13	Percent O&M due:	46.67%	42.00%	42.00%	42.00%	42.00%
14	O&M Cost not subject to floor:	39,199.70	32,696.66	13,079.50	20,425.09	38,960.67
15	O&M Cost subject to floor:	-	4,113.16	27,410.01	13,986.45	5,484.34
16	O&M Cost Total:	39,199.70	36,809.82	40,489.51	34,411.53	44,445.00
17						
18	Capital Investment Cost:	9,434.42	3,839.91	1,073.23	2,171.05	3,450.26
19	Electrical Cost:	0.1912	0.4088	0.3382	0.2594	0.2586
20	Chemical Cost:	0.0863	0.2904	0.1884	0.0487	0.1005
21	Water Production Cost:	0.2775	0.6992	0.5266	0.3081	0.3591
22	Total Cost per kgals (O&M, Cap, Elec, chem):	0.7146	1.5061	1.6449	1.1907	1.4015
23	Cost of Water:	30,873.26	31,661.17	6,664.65	7,887.98	14,610.70
24	Total Calculated Invoice from CTWSC:	80,446.38	73,249.90	49,166.39	45,409.56	63,444.96
25	Actual Invoice from CTWSC:	80,446.38	73,249.90	49,166.39	45,409.56	63,444.96
26	Overbilled by CTWSC:	-	-	-	-	-
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	37,884,000	24,889,000	23,428,000	18,472,000	14,817,000
31	191 Meter Site (Reverse)	(131,000)	(23,000)	(39,000)	(10,000)	(2,000)
32	580 Meter Site (Forward)	11,375,000	7,565,000	15,972,000	13,828,000	14,751,000
33	581 Meter Site (Reverse)	(738,000)	(825,000)	(944,000)	(550,000)	(796,000)
34	Total Water Delivered:	48,390,000	31,606,000	38,417,000	31,740,000	28,770,000
35						
36	CTWSC Water Received:	111,255,000	45,282,000	12,656,000	25,602,000	40,687,000
37	KWSC Water Produced:	48,299,600	58,580,200	89,399,520	58,836,582	34,489,000
38	Total Water Produced:	159,554,600	103,862,200	102,055,520	84,438,582	75,176,000
39	City Percentage (delivered/produced)	30.3282%	30.4307%	37.6432%	37.5895%	38.2702%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	22,347.34	26,199.68	18,579.18	21,210.91	15,902.68
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	-	9.13	5.75	2,239.27	3,914.80
48	KWSC O&M Chemicals:	204.77	84.05	231.05	-	87.10
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	11,888.56	9,949.82	4,923.54	7,677.69	14,910.33
53	City Dollar Portion of Floor:	-	2,591.29	17,268.31	8,811.46	3,455.13
54	CTWSC O&M Bill:	11,888.56	12,541.11	22,191.85	16,489.15	18,365.46
55	City CTWSC Electrical:	9,252.17	12,920.53	12,992.63	8,233.36	7,439.92
56	City CTWSC Chemical:	4,176.06	9,178.38	7,237.76	1,545.74	2,891.39
57	City CTWSC Capital Contributions:	4,103.47	2,680.19	3,257.76	2,691.55	2,439.70
58	City Bartlett Electric Cost at Chaparral	6,777.55	7,972.75	6,993.80	7,973.08	6,085.99
59	Tank Maintenance (City's Portion):	-	-	10,979.27	14,380.83	14,641.25
60	Total Due (computed bill):	54,286.18	63,269.74	81,773.47	71,436.58	73,749.21
61	Total Due (actual bill):	54,287.99	61,931.68	78,128.50	70,337.90	72,897.99
62	Overbilled by KWSC:	1.81	(1,338.06)	(3,644.97)	(1,098.68)	(851.22)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 27,311.14	\$ 24,268.71	\$ 18,297.66	\$ 17,922.38	\$ 26,079.54

	A	L	M	N	O	P
1	Lampasas Monthly Invoice					
2	Month:	January-11	February-11	March-11	April-11	May-11
3	CTWSC Invoice Data:					
4	Water Taken:	29,929,000	25,874,000	31,306,000	36,833,000	39,110,000
5	Total Water Produced:	97,270,767	97,750,360	109,103,931	131,104,553	142,639,028
6	Total O&M for CTWSC:	67,813.83	77,094.63	78,532.87	83,478.09	75,229.04
7	Total Electrical:	30,636.81	28,203.97	27,546.59	30,766.58	33,649.12
8	Total Chemical:	7,096.19	4,066.77	10,504.87	2,211.29	17,850.99
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	26.47%
12	Percent Taken:	30.77%	26.47%	28.69%	28.09%	27.42%
13	Percent O&M due:	30.77%	26.47%	28.69%	28.09%	27.42%
14	O&M Cost not subject to floor:	20,865.47	20,406.54	22,534.02	23,452.64	20,626.95
15	O&M Cost subject to floor:	-	0.41	-	-	-
16	O&M Cost Total:	20,865.47	20,406.95	22,534.02	23,452.64	20,626.95
17						
18	Capital Investment Cost:	2,537.98	2,194.12	2,654.75	3,123.44	3,316.53
19	Electrical Cost:	0.3150	0.2885	0.2525	0.2347	0.2359
20	Chemical Cost:	0.0730	0.0416	0.0963	0.0169	0.1251
21	Water Production Cost:	0.3880	0.3301	0.3488	0.2516	0.3610
22	Total Cost per kgals (O&M, Cap, Elec, chem):	1.1700	1.2036	1.1534	0.9731	0.9732
23	Cost of Water:	11,612.45	8,541.01	10,919.53	9,267.18	14,118.71
24	Total Calculated Invoice from CTWSC:	35,954.90	32,081.08	37,047.30	36,782.26	39,001.19
25	Actual Invoice from CTWSC:	35,954.94	32,081.08	37,047.28	36,782.30	39,001.22
26	Overbilled by CTWSC:	0.04	-	(0.02)	0.04	0.03
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	14,846,000	19,429,000	19,953,000	23,379,000	23,876,000
31	191 Meter Site (Reverse)	(3,397,000)	(4,027,000)	(6,000)	(1,000)	(1,000)
32	580 Meter Site (Forward)	14,600,000	12,477,000	13,651,000	13,219,000	15,425,000
33	581 Meter Site (Reverse)	(829,000)	(1,518,000)	(2,168,000)	(391,000)	(545,000)
34	Total Water Delivered:	25,220,000	26,361,000	31,430,000	36,206,000	38,755,000
35						
36	CTWSC Water Received:	29,929,000	25,874,000	31,306,000	36,833,000	39,110,000
37	KWSC Water Produced:	44,963,500	51,157,900	57,173,700	75,553,100	73,966,100
38	Total Water Produced:	74,892,500	77,031,900	88,479,700	112,386,100	113,076,100
39	City Percentage (delivered/produced)	33.6749%	34.2209%	35.5223%	32.2157%	34.2734%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	16,394.42	16,627.51	16,282.01	19,950.38	22,128.08
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	1,088.59	-	-	-	155.97
48	KWSC O&M Chemicals:	-	-	-	-	195.01
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	7,026.43	6,983.30	8,004.60	7,555.43	7,069.56
53	City Dollar Portion of Floor:	-	0.26	-	-	-
54	CTWSC O&M Bill:	7,026.43	6,983.56	8,004.60	7,555.43	7,069.56
55	City CTWSC Electrical:	7,944.30	7,605.15	7,936.08	8,497.55	9,142.30
56	City CTWSC Chemical:	1,841.06	1,096.62	3,026.71	611.88	4,848.25
57	City CTWSC Capital Contributions:	2,138.66	2,235.41	2,665.26	3,070.27	3,286.42
58	City Bartlett Electric Cost at Chaparral	5,520.80	5,690.08	5,783.74	6,427.15	7,584.05
59	Tank Maintenance (City's Portion):	12,883.20	13,092.09	13,589.97	12,324.95	13,112.17
60	Total Due (computed bill):	56,326.64	54,586.51	58,889.96	56,370.83	63,277.33
61	Total Due (actual bill):	56,326.72	54,384.42	58,835.97	56,371.08	63,277.01
62	Overbilled by KWSC:	0.08	(202.09)	(53.99)	0.25	(0.32)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 13,839.04	\$ 13,423.39	\$ 14,529.42	\$ 15,897.21	\$ 13,557.39

	A	Q	R	S	T	U
1	Lampasas Monthly Invoice					
2	Month:	June-11	July-11	August-11	September-11	October-11
3	CTWSC Invoice Data:					
4	Water Taken:	52,452,000	64,944,000	50,881,220	50,599,060	41,520,720
5	Total Water Produced:	181,060,555	215,028,304	192,834,950	173,299,016	138,982,314
6	Total O&M for CTWSC:	71,713.55	147,160.13	64,449.16	97,614.92	87,006.03
7	Total Electrical:	39,832.83	43,061.53	42,600.20	42,759.20	33,094.63
8	Total Chemical:	19,373.03	11,975.67	22,960.61	21,310.54	34,220.58
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	26.47%
12	Percent Taken:	28.97%	30.20%	26.39%	29.20%	29.87%
13	Percent O&M due:	28.97%	30.20%	26.47%	29.20%	29.87%
14	O&M Cost not subject to floor:	20,774.92	44,446.09	17,005.49	28,501.16	25,992.90
15	O&M Cost subject to floor:			54.21		
16	O&M Cost Total:	20,774.92	44,446.09	17,059.69	28,501.16	25,992.90
17						
18	Capital Investment Cost:	4,447.93	5,507.25	4,314.73	4,290.80	3,520.96
19	Electrical Cost:	0.2200	0.2003	0.2209	0.2467	0.2381
20	Chemical Cost:	0.1070	0.0557	0.1191	0.1230	0.2462
21	Water Production Cost:	0.3270	0.2560	0.3400	0.3697	0.4843
22	Total Cost per kgal (O&M, Cap, Elec, chem):	0.8079	1.0252	0.7590	1.0178	1.1951
23	Cost of Water:	17,151.80	16,625.66	17,299.61	18,706.47	20,108.48
24	Total Calculated Invoice from CTWSC:	43,313.65	67,518.00	39,613.03	52,437.43	50,561.34
25	Actual Invoice from CTWSC:	43,313.65	67,517.95	39,613.03	52,432.33	50,566.57
26	Overbilled by CTWSC:	-	(0.05)	-	(5.10)	5.23
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	34,961,000	40,006,000	34,505,000	26,093,000	25,982,000
31	191 Meter Site (Reverse)	(3,000)	(47,000)	(42,000)	(29,000)	(30,000)
32	580 Meter Site (Forward)	23,872,000	24,867,000	14,625,000	22,758,000	16,939,500
33	581 Meter Site (Reverse)	(147,000)	(164,000)	(104,000)	(99,000)	(493,000)
34	Total Water Delivered:	58,683,000	64,662,000	48,984,000	48,723,000	42,398,500
35						
36	CTWSC Water Received:	52,452,000	64,944,000	50,881,220	50,599,060	41,520,720
37	KWSC Water Produced:	103,072,800	128,306,400	129,004,500	88,605,100	68,913,800
38	Total Water Produced:	155,524,800	193,250,400	179,885,720	139,204,160	110,434,520
39	City Percentage (delivered/produced)	37.7322%	33.4602%	27.2306%	35.0011%	38.3924%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	27,691.08	27,808.75	30,602.21	25,957.48	20,309.25
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:					
47	KWSC O&M Repair & Maintenance:	450.91	19.54	-	830.13	-
48	KWSC O&M Chemicals:	539.81	404.03	-	-	502.89
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	7,838.83	14,871.75	4,630.70	9,975.72	9,979.30
53	City Dollar Portion of Floor:			34.15	-	-
54	CTWSC O&M Bill:	7,838.83	14,871.75	4,664.85	9,975.72	9,979.30
55	City CTWSC Electrical:	12,910.26	12,951.80	10,820.57	12,019.96	10,095.08
56	City CTWSC Chemical:	6,279.08	3,601.67	5,833.99	5,992.93	10,438.51
57	City CTWSC Capital Contributions:	4,976.32	5,483.34	4,153.84	4,131.71	3,595.39
58	City Bartlett Electric Cost at Chaparral	10,448.45	9,304.86	8,333.17	9,085.40	7,797.21
59	Tank Maintenance (City's Portion):	14,435.43	12,801.05	10,417.77	13,390.57	14,688.00
60	Total Due (computed bill):	75,762.69	77,321.65	62,107.79	73,310.02	74,979.98
61	Total Due (actual bill):	73,196.58	77,321.43	62,108.06	73,305.05	74,480.16
62	Overbilled by KWSC:	(2,566.11)	(0.22)	0.27	(4.97)	(499.82)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 12,936.09	\$ 29,574.34	\$ 12,394.84	\$ 18,525.44	\$ 16,013.60

	A	V	W	X	Y	Z
1	Lampasas Monthly Invoice					
2	Month:	November-11	December-11	January-12	February-12	March-12
3	CTWSC Invoice Data:					
4	Water Taken:	34,085,000	27,163,000	29,707,000	24,535,000	26,275,000
5	Total Water Produced:	115,437,248	96,811,943	99,072,212	87,067,509	90,214,591
6	Total O&M for CTWSC:	91,702.64	118,887.53	87,432.25	89,484.58	91,032.77
7	Total Electrical:	29,640.75	25,839.09	21,622.98	20,895.54	17,842.62
8	Total Chemical:	17,607.19	20,417.65	5,552.20	11,907.90	4,870.13
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	26.47%
12	Percent Taken:	29.53%	28.06%	29.99%	28.18%	29.13%
13	Percent O&M due:	29.53%	28.06%	29.99%	28.18%	29.13%
14	O&M Cost not subject to floor:	27,076.91	33,356.86	26,216.73	25,216.11	26,513.29
15	O&M Cost subject to floor:	-	-	-	-	-
16	O&M Cost Total:	27,076.91	33,356.86	26,216.73	25,216.11	26,513.29
17						
18	Capital Investment Cost:	2,890.41	2,303.42	2,519.15	2,080.57	2,228.12
19	Electrical Cost:	0.2568	0.2669	0.2182	0.2400	0.1978
20	Chemical Cost:	0.1525	0.2109	0.0560	0.1368	0.0540
21	Water Production Cost:	0.4093	0.4778	0.2742	0.3768	0.2518
22	Total Cost per kgals (O&M, Cap, Elec, chem):	1.2885	1.7906	1.2415	1.4894	1.3457
23	Cost of Water:	13,950.99	12,978.48	8,145.66	9,244.79	6,616.05
24	Total Calculated Invoice from CTWSC:	44,857.31	49,577.76	37,820.54	37,480.47	36,296.46
25	Actual Invoice from CTWSC:	44,860.03	49,577.88	37,820.55	37,480.46	36,296.46
26	Overbilled by CTWSC:	2.72	0.12	0.01	(0.01)	-
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	23,227,000	20,279,000	22,068,000	19,116,000	20,698,000
31	191 Meter Site (Reverse)	(11,000)	(4,000)	(5,000)	(4,000)	(4,000)
32	580 Meter Site (Forward)	9,527,000	6,584,000	6,538,000	5,861,000	5,476,000
33	581 Meter Site (Reverse)	(283,000)	(105,000)	0	-	(12,000)
34	Total Water Delivered:	32,560,000	26,754,000	28,601,000	24,973,000	26,158,000
35						
36	CTWSC Water Received:	34,085,000	27,163,000	29,707,000	24,535,000	26,275,000
37	KWSC Water Produced:	58,720,700	58,050,300	52,628,900	50,639,600	55,880,100
38	Total Water Produced:	92,805,700	85,213,300	82,335,900	75,174,600	82,155,100
39	City Percentage (delivered/produced)	35.0841%	31.3965%	34.7370%	33.2200%	31.8398%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	16,145.10	15,897.98	13,960.71	13,959.89	12,432.98
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	-	-	640.09	-	-
48	KWSC O&M Chemicals:	169.46	-	-	-	-
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	9,499.69	10,472.89	9,106.91	8,376.79	8,441.78
53	City Dollar Portion of Floor:	-	-	-	-	-
54	CTWSC O&M Bill:	9,499.69	10,472.89	9,106.91	8,376.79	8,441.78
55	City CTWSC Electrical:	8,361.41	7,140.64	6,240.74	5,993.52	5,174.05
56	City CTWSC Chemical:	4,965.40	5,642.42	1,601.66	3,416.31	1,412.53
57	City CTWSC Capital Contributions:	2,761.09	2,268.74	2,425.36	2,117.71	2,218.20
58	City Bartlett Electric Cost at Chaparral	5,664.36	4,991.41	4,849.53	4,637.48	3,958.64
59	Tank Maintenance (City's Portion):	12,689.75	11,773.69	13,026.38	12,457.50	11,939.93
60	Total Due (computed bill):	61,994.76	60,173.39	55,774.27	54,882.91	51,028.73
61	Total Due (actual bill):	62,171.57	60,174.76	55,774.27	54,680.74	51,028.87
62	Overbilled by KWSC:	176.81	1.37	-	(202.17)	0.14
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 17,577.22	\$ 22,883.97	\$ 17,109.82	\$ 16,839.32	\$ 18,071.51

	A	AA	AB	AC	AD	AE
1	Lampasas Monthly Invoice					
2	Month:	April-12	May-12	June-12	July-12	August-12
3	CTWSC Invoice Data:					
4	Water Taken:	36,632,000	37,469,000	43,286,000	37,981,000	53,349,000
5	Total Water Produced:	119,690,560	138,926,288	150,532,428	161,252,882	182,446,938
6	Total O&M for CTWSC:	86,767.64	81,272.03	141,251.66	178,941.15	101,051.99
7	Total Electrical:	17,183.18	25,349.07	25,342.78	24,682.31	25,100.09
8	Total Chemical:	8,230.89	5,725.63	13,298.23	9,701.87	19,172.22
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0848	0.0848	0.0848	0.0848
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	26.47%
12	Percent Taken:	30.61%	26.97%	28.76%	23.55%	29.24%
13	Percent O&M due:	30.61%	26.97%	28.76%	26.47%	29.24%
14	O&M Cost not subject to floor:	26,555.75	21,919.41	40,617.29	42,147.24	29,548.44
15	O&M Cost subject to floor:				5,218.48	
16	O&M Cost Total:	26,555.75	21,919.41	40,617.29	47,365.72	29,548.44
17						
18	Capital Investment Cost:	3,106.39	3,177.37	3,670.65	3,220.79	4,524.00
19	Electrical Cost:	0.1436	0.1825	0.1684	0.1531	0.1376
20	Chemical Cost:	0.0688	0.0412	0.0883	0.0602	0.1051
21	Water Production Cost:	0.2124	0.2237	0.2567	0.2133	0.2427
22	Total Cost per kgals (O&M, Cap, Elec, chem):	1.0221	0.8935	1.2798	1.4078	0.8814
23	Cost of Water:	7,780.64	8,381.82	11,111.52	8,101.35	12,947.80
24	Total Calculated Invoice from CTWSC:	38,381.78	34,417.60	56,338.46	59,626.86	47,959.24
25	Actual Invoice from CTWSC:	38,381.78	34,417.59	56,338.45	59,626.86	47,958.40
26	Overbilled by CTWSC:		(0.01)	(0.01)	-	(0.84)
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	27,503,000	29,986,000	32,056,000	38,089,000	41,919,000
31	191 Meter Site (Reverse)	(49,000)	(56,000)	(19,000)	(6,000)	(29,000)
32	580 Meter Site (Forward)	9,648,000	12,362,000	11,772,000	15,404,000	11,558,000
33	581 Meter Site (Reverse)	(4,000)	(9,000)	(12,000)	(22,000)	(23,000)
34	Total Water Delivered:	37,098,000	42,283,000	43,797,000	53,465,000	53,425,000
35						
36	CTWSC Water Received:	36,632,000	37,469,000	43,286,000	37,981,000	53,349,000
37	KWSC Water Produced:	71,405,300	86,499,600	95,226,500	109,422,600	104,002,500
38	Total Water Produced:	108,037,300	123,968,600	138,512,500	147,403,600	157,351,500
39	City Percentage (delivered/produced)	34.3381%	34.1078%	31.6195%	36.2712%	33.9526%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	15,059.70	16,154.56	21,197.81	19,719.78	23,554.36
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	-	-	1,177.63	-	6,528.60
48	KWSC O&M Chemicals:	-	-	2,796.92	522.27	-
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	9,118.74	7,476.23	12,842.98	15,287.31	10,032.46
53	City Dollar Portion of Floor:				3,287.64	-
54	CTWSC O&M Bill:	9,118.74	7,476.23	12,842.98	18,574.95	10,032.46
55	City CTWSC Electrical:	5,327.27	7,716.65	7,375.41	8,185.49	7,351.28
56	City CTWSC Chemical:	2,552.34	1,742.06	3,867.28	3,218.59	5,614.97
57	City CTWSC Capital Contributions:	3,145.91	3,585.60	3,713.99	4,533.83	4,530.44
58	City Bartlett Electric Cost at Chaparral	5,171.21	5,509.97	6,702.64	7,152.60	7,997.32
59	Tank Maintenance (City's Portion):	12,876.79	12,790.43	11,857.31	13,601.70	12,732.23
60	Total Due (computed bill):	56,075.86	56,704.54	68,217.76	73,673.03	72,670.90
61	Total Due (actual bill):	55,596.31	52,285.02	68,043.75	58,760.56	72,645.73
62	Overbilled by KWSC:	(479.55)	(4,419.52)	(174.01)	(14,912.47)	(25.17)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 17,437.01	\$ 14,443.18	\$ 27,774.31	\$ 28,790.77	\$ 19,515.98

	A	AF	AG	AH	AI	AJ
1	Lampasas Monthly Invoice					
2	Month:	September-12	October-12	November-12	December-12	January-13
3	CTWSC Invoice Data:					
4	Water Taken:	37,479,000	51,089,000	36,412,000	34,420,000	25,710,000
5	Total Water Produced:	133,710,580	143,713,371	123,158,869	118,430,700	97,396,892
6	Total O&M for CTWSC:	91,834.91	75,647.86	158,169.65	100,513.38	101,249.80
7	Total Electrical:	20,762.67	18,483.44	20,201.16	16,775.06	16,396.87
8	Total Chemical:	5,937.24	9,504.70	6,874.26	12,637.84	1,026.56
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	939.00
10	CTWSC Capital Invest:	0.0848	0.0899	0.0899	0.0899	0.0899
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	26.47%
12	Percent Taken:	28.03%	35.55%	29.57%	29.06%	26.40%
13	Percent O&M due:	28.03%	35.55%	29.57%	29.06%	26.47%
14	O&M Cost not subject to floor:	25,741.27	26,892.23	46,762.96	29,212.62	26,727.06
15	O&M Cost subject to floor:	-	-	-	-	73.76
16	O&M Cost Total:	25,741.27	26,892.23	46,762.96	29,212.62	26,800.82
17						
18	Capital Investment Cost:	3,178.22	4,592.29	3,273.00	3,093.94	2,311.02
19	Electrical Cost:	0.1553	0.1286	0.1640	0.1416	0.1684
20	Chemical Cost:	0.0444	0.0661	0.0558	0.1067	0.0105
21	Water Production Cost:	0.1997	0.1947	0.2198	0.2483	0.1789
22	Total Cost per kgals (O&M, Cap, Elec, chem):	0.9713	0.8110	1.5940	1.1869	1.3083
23	Cost of Water:	7,484.56	9,947.03	8,003.36	8,546.49	4,599.52
24	Total Calculated Invoice from CTWSC:	37,343.05	42,370.55	58,978.32	41,792.05	34,650.36
25	Actual Invoice from CTWSC:	37,343.05	42,366.05	58,975.12	41,657.89	37,077.69
26	Overbilled by CTWSC:	-	(4.50)	(3.20)	(134.16)	2,427.33
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	29,620,000	32,374,000	29,723,000	22,956,000	19,868,000
31	191 Meter Site (Reverse)	-	(72,000)	(325,000)	(379,000)	(585,000)
32	580 Meter Site (Forward)	8,326,000	17,167,000	9,484,000	9,967,000	10,423,000
33	581 Meter Site (Reverse)	(45,000)	(338,000)	(230,000)	(12,000)	-
34	Total Water Delivered:	37,901,000	49,131,000	38,652,000	32,532,000	29,706,000
35						
36	CTWSC Water Received:	37,479,000	51,089,000	36,412,000	34,420,000	25,710,000
37	KWSC Water Produced:	78,524,000	76,882,600	65,260,400	65,091,700	62,272,600
38	Total Water Produced:	116,000,000	127,971,600	101,672,400	99,511,700	87,982,600
39	City Percentage (delivered/produced)	32.6733%	38.3921%	38.0162%	32.6916%	33.7635%
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	19,007.17	16,477.83	15,841.74	13,297.16	12,168.93
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	17,292.03
46	KWSC Phase II Debt Service 9107:	-	-	-	-	-
47	KWSC O&M Repair & Maintenance:	-	556.96	32.48	36.17	-
48	KWSC O&M Chemicals:	-	475.52	182.47	-	-
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	591.57
50	CTWSC RD Loan 9106 (Refinanced with TWDB):	-	-	-	-	-
51	Worksheet calculations:					
52	City Bill w/o floor:	8,410.52	10,324.49	17,777.50	9,550.07	9,023.99
53	City Dollar Portion of Floor:	-	-	-	-	46.47
54	CTWSC O&M Bill:	8,410.52	10,324.49	17,777.50	9,550.07	9,070.46
55	City CTWSC Electrical:	5,886.03	6,318.25	6,338.93	4,606.53	5,002.49
56	City CTWSC Chemical:	1,682.80	3,247.56	2,156.78	3,471.16	311.91
57	City CTWSC Capital Contributions:	3,214.00	4,416.29	3,474.35	2,924.24	2,670.21
58	City Bartlett Electric Cost at Chaparral	6,210.27	6,326.18	6,022.43	4,347.05	4,108.66
59	Tank Maintenance (City's Portion):	12,252.49	-	-	-	-
60	Total Due (computed bill):	55,539.71	49,548.85	53,868.54	42,818.82	39,047.33
61	Total Due (actual bill):	55,419.69	49,548.85	53,174.86	42,818.82	40,358.21
62	Overbilled by KWSC:	(120.02)	-	(693.68)	-	1,310.88
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 17,330.75	\$ 16,567.74	\$ 28,985.46	\$ 19,662.55	\$ 17,730.36



	A	AK	AL	AM	AN	AO
1	Lampasas Monthly Invoice					
2	Month:	February-13	March-13	April-13	May-13	
3	CTWSC Invoice Data:					
4	Water Taken:	27,019,000	32,854,000	8,774,000	39,114,000	
5	Total Water Produced:	84,524,333	98,732,586	94,313,712	121,197,493	
6	Total O&M for CTWSC:	100,919.81	102,116.56	127,489.77	110,603.91	
7	Total Electrical:	17,712.95	16,299.69	18,771.88	23,376.79	
8	Total Chemical:	2,694.96	2,390.72	2,189.13	11,893.89	
9	Loan 91-01 (10%):	939.00	939.00	939.00	939.00	
10	CTWSC Capital Invest:	0.0899	0.0899	0.0899	0.0899	
11	Minimum O&M:	26.47%	26.47%	26.47%	26.47%	
12	Percent Taken:	31.97%	33.28%	9.30%	32.27%	
13	Percent O&M due:	31.97%	33.28%	26.47%	32.27%	
14	O&M Cost not subject to floor:	32,259.97	33,980.04	11,860.37	35,695.14	
15	O&M Cost subject to floor:			21,886.18		
16	O&M Cost Total:	32,259.97	33,980.04	33,746.54	35,695.14	
17						
18	Capital Investment Cost:	2,428.68	2,953.18	788.68	3,515.88	
19	Electrical Cost:	0.2096	0.1651	0.1990	0.1929	
20	Chemical Cost:	0.0319	0.0242	0.0232	0.0981	
21	Water Production Cost:	0.2415	0.1893	0.2222	0.2910	
22	Total Cost per kgals (O&M, Cap, Elec, chem):	1.5254	1.3135	1.6639	1.2935	
23	Cost of Water:	6,525.09	6,219.26	1,949.58	11,382.17	485,831.25
24	Total Calculated Invoice from CTWSC:	42,152.74	44,091.48	37,423.80	51,532.19	1,953,914.20
25	Actual Invoice from CTWSC:	42,152.16	44,091.45	37,423.81	51,532.19	1,956,204.23
26	Overbilled by CTWSC:	(0.58)	(0.03)	0.01	-	2,290.03
27						
28	Lampasas Invoice Data:					
29	Points of Delivery:					
30	190 Meter Site (Forward)	17,994,000	22,505,000	28,023,000	34,402,000	
31	191 Meter Site (Reverse)	(542,000)	(669,000)	(602,000)	(230,000)	
32	580 Meter Site (Forward)	8,710,000	8,039,000	11,002,000	5,296,000	
33	581 Meter Site (Reverse)	(2,000)	(62,000)	(77,000)	(39,000)	
34	Total Water Delivered:	26,160,000	29,813,000	38,346,000	39,429,000	1,465,625,500
35						
36	CTWSC Water Received:	27,019,000	32,854,000	8,774,000	39,114,000	
37	KWSC Water Produced:	52,761,600	63,925,500	88,755,100	70,396,100	
38	Total Water Produced:	79,780,600	96,779,500	97,529,100	109,450,100	
39	City Percentage (delivered/produced)	32.7899%	30.8051%	39.3175%	36.0246%	
40						
41	KWSC O&M Costs:					
42	Bartlett Electric Total:	13,611.34	13,533.52	15,633.05	16,107.31	
43						
44	Invoice from KWSC to Lampasas:					
45	KWSC Phase I Debt Service 9106:	17,292.03	17,292.03	17,292.03	17,292.03	
46	KWSC Phase II Debt Service 9107:					
47	KWSC O&M Repair & Maintenance:	384.41	198.81	2,676.15	2,541.00	
48	KWSC O&M Chemicals:					
49	CTWSC RD Loan 9101	591.57	591.57	591.57	591.57	
50	CTWSC RD Loan 9106 (Refinanced with TWDB):					
51	Worksheet calculations:					
52	City Bill w/o floor:	10,578.01	10,467.59	4,663.20	12,859.03	
53	City Dollar Portion of Floor:			13,788.29		
54	CTWSC O&M Bill:	10,578.01	10,467.59	18,451.49	12,859.03	
55	City CTWSC Electrical:	5,483.14	4,922.13	7,630.85	7,605.85	
56	City CTWSC Chemical:	834.50	721.47	889.63	3,867.98	
57	City CTWSC Capital Contributions:	2,351.47	2,679.83	3,446.85	3,544.19	
58	City Bartlett Electric Cost at Chaparral	4,463.14	4,169.01	6,146.52	5,802.59	
59	Tank Maintenance (City's Portion):					
60	Total Due (computed bill):	41,978.27	41,042.44	57,125.09	54,104.24	2,348,471.42
61	Total Due (actual bill):	41,978.13	41,042.42	42,712.84	53,984.25	
62	Overbilled by KWSC:	(0.14)	(0.02)	(14,412.25)	(119.99)	(54,868.98)
63						
64	CTWSC O&M (City Share) paid by KWSC:	\$ 21,681.96	\$ 23,512.45	\$ 15,295.05	\$ 22,836.11	813,130.55



# Kempner Water Supply Corporation Treatment and Transmission Systems Capacities

Facility	Total Capacity (MGD)	City Capacity (MGD)	KWSC Capacity (MGD)	Notes
CTWSC Water Treatment Plant	14.35	4.84	0.00	a
CTWSC WTP to SH195 Pump Station Transmission Line			0.00	b
KWSC Water Treatment Plant	7.08	0.00	6.58	
KWSC 36" Transmission Line (WTP to SH195)	21.00	0.00	21.00	
SH195 Pump Station	8.21	3.51	4.70	c
KWSC 24" Transmission Line (SH195 Pump Station to Ivy Mtn)	12.18	6.91	5.27	d
KWSC 30" , 27" Transmission Line (Ivy Mtn to Kempner)	15.42	9.71	5.71	e
KWSC 24" , 20" , 18" North Transmission Line (Kempner to City N Meter)	6.85	4.32	2.53	e
KWSC 24" , 20" South Transmission Line (Kempner to City S Meter)	8.46	5.33	3.13	e
<b>Effective Capacity:</b>		<b>3.51</b>	<b>4.70</b>	

## Notes:

- a) 2006 Agreement 3.1 A.
- b) 2006 Agreement 3.1 B. 1.
- c) 2006 Agreement 3.1 B. 3., 3.9 A, 5700 gpm (8.21 MGD) capacity rating with one pump out of service
- d) 2006 Agreement 3.1 B. 1.
- e) 2006 Agreement 3.1 B. 2. (requires future pumping capital improvements to achieve stated capacities based on 6 fps pipe velocity)