



Control Number: 46662



Item Number: 158

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PUC DOCKET NO. 46662
SOAH DOCKET NO. 473-17-4964.WS

PETITION OF THE CITIES OF	§	BEFORE THE STATE OFFICE
GARLAND, MESQUITE, PLANO,	§	
AND RICHARDSON APPEALING	§	
THE DECISION BY NORTH TEXAS	§	OF
MUNICIPAL WATER DISTRICT	§	
AFFECTING WHOLESALE WATER	§	
RATES	§	ADMINISTRATIVE HEARINGS

**THE PETITIONING CITIES' RESPONSE TO THE NORTH TEXAS MUNICIPAL
WATER DISTRICT'S FIRST REQUESTS FOR INFORMATION AND
FIRST REQUESTS FOR ADMISSIONS TO THE PETITIONING CITIES**

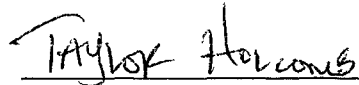
The Cities of Garland, Mesquite, Plano, and Richardson (the "*Petitioning Cities*") file the following response to the First Requests for Information ("*RFI*") and First Requests for Admission ("*RFA*") from the North Texas Municipal Water District ("*NTMWD*" or the "*District*"), subject to the objections filed on October 23, 2017. The Petitioning Cities stipulate that the following responses may be treated as if filed under oath. Where the Petitioning Cities indicate that voluminous information is being produced, the Petitioning Cities will make such information available for review during normal business hours at the Austin office of Vinson & Elkins pursuant to Section 22.144(c)(2)(E) of the Commission's Procedural Rules.

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Date: November 2, 2017

Respectfully submitted,



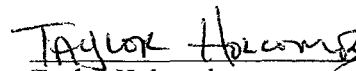
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Attorneys for the Petitioning Cities

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon all parties of record via e-mail, regular mail, hand-delivery, or fax on this 2nd day of November, 2017.


Taylor Holcomb

NTMWD RFI 1-1

On page 18 of the Petition, the Petitioning Cities state they “appeal the District’s proposed rate and rate setting procedures.” Describe the rate that you are appealing in reasonable detail including the amount stated in dollars and cents.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-2

On page 18 of the Petition, the Petitioning Cities state they “appeal the District’s proposed rate and rate setting procedures.” Describe the rate setting procedures you are appealing in reasonable detail including the identification of the Contract provisions, if any, that relate to the rate setting procedures that are being appealed.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-3

On pages 8-9 of the Petition, the Petitioning Cities identify Texas Water Code Section 13.043(f) as the statutory authority that the Petitioners invoke. Are you seeking relief from the Commission under any statutory provision other than Texas Water Code § 13.043(f)?

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-4

On what bases listed in 16 Texas Administrative Code § 24.133 do you contend that the Amendatory Contract adversely affects the public interest? For each basis, explain how the Amendatory Contract adversely affects the public interest.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-5

On what bases other than those listed in 16 Texas Administrative Code § 24.133 do you contend that the Amendatory Contract violates the public interest? For each basis, explain how the Amendatory Contract adversely affects the public interest.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-6

On what bases listed in 16 Texas Administrative Code § 24.133 do you contend that the 2017 rate NTMWD charges its Member Cities adversely affects the public interest? For each basis, explain how the 2017 rate NTMWD charges its Member Cities adversely affects the public interest.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-7

On what bases other than those listed in 16 Texas Administrative Code § 24.133 do you contend that the 2017 rate NTMWD charges its Member Cities adversely affects the public interest? For each basis, explain how the 2017 rate NTMWD charges its Member Cities adversely affects the public interest.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-8

Do you contend that the Protested Rate is different from the 2017 Rate? If yes, explain how the two rates differ.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-9

What provisions of the Amendatory Contract do you contend adversely affect the public interest?

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-10

If you contend that any provision of the Amendatory Contract should be modified in order to not adversely affect the public interest, explain what modifications could be made to make such a provision not adversely affect the public interest.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-11

Identify the Protested Rate and explain, in detail, your understanding of how the Protested Rate is charged by NTMWD to you.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-12

What is your understanding of the elements of the Protested Rate?

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-13

Explain your understanding of how the Protested Rate is determined or calculated by NTMWD, and provide a reasonably detailed explanation of the methodology you contend is used to determine the Protested Rate.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-14

Explain whether you agree or disagree with the method NTMWD used to determine the Protested Rate and provide reasons for your explanation.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-15

Explain your preferred method for determining or calculating the Protested Rate if you contend or believe that your preferred method differs from NTMWD's.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-16

If you contend that the Protested Rate is derived from the Amendatory Contract, identify each provision of the Amendatory Contract you contend establishes the Protested Rate.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-17

Explain your understanding of how revenue collected by NTMWD from non-Member City customers was accounted for by NTMWD in determining the Protested Rate.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-18

Identify all elements of the Protested Rate that you are appealing through the Petition.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-19

Explain your understanding of how NTMWD calculates the amount of money ultimately charged to Member Cities each month. Produce all documents and communications supporting your response.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-20

What rate, or range of rates, would not be adverse to the public interest?
Produce all documents and communications supporting your response.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that a rate set consistent with the ratemaking mandates of Chapters 12 and 13 of the Texas Water Code would not adversely affect the public interest.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-21

What cost allocation method among the Member Cities would you prefer as an alternative to the methodology required in the Amendatory Contract? Explain your answer in detail.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that a rate set consistent with the ratemaking mandates of Chapters 12 and 13 of the Texas Water Code would be preferable.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-22

Your responses to NTMWD's Requests for Disclosure under Rule 194 state, in part, that "[t]he District's rates impair one or more of the Petitioning Cities' ability to continue to provide service to retail customers based on one or more of the Petitioning Cities' financial integrity and operational capability[.]" Explain in detail which of the Petitioning Cities' has been impaired by the Protested Rate, and explain in detail how the Protested Rate impairs each Petitioning Cities' ability to provide service to retail customers based on the financial and/or operational abilities of each of the Petitioning Cities after September 22, 2016. Produce all documents and communications supporting your response.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-23

Describe and explain how the Protested Rate charged by NTMWD to the Member Cities impairs NTMWD's financial and/or operational abilities to continue providing water service to its wholesale and retail customers. Produce all documents and communications supporting your response.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that they do not have information responsive to this request.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-24

Produce your annual budget, financial statements, and accounting information for your retail water system for each fiscal year from 2012 through 2017.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request. Documents responsive to this request are voluminous, as noted on the attached index.

Responsible Person: Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

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NTMWD RFI 1-25

Produce all data, documents, and communications reflecting your financial integrity as it relates to your ability to provide retail water service for each fiscal year from 2012 through 2017.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request. Documents responsive to this request are voluminous, as noted on the attached index.

Responsible Person: Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

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NTMWD RFI 1-26

Produce all data, documents, and communications reflecting your operational capability to provide retail water service for each fiscal year from 2012 through 2017.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request. Documents responsive to this request are voluminous, as noted on the attached index.

Responsible Person: Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

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NTMWD RFI 1-27

Describe and explain any disparate bargaining power between NTMWD and the Petitioning Cities, experienced by the Petitioning Cities, regarding the provision of wholesale water service by the NTMWD to Petitioning Cities during the Contract Period.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-28

Describe and explain what you understand constitutes a monopoly as that term is used in 16 TAC § 24.133.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-29

Do you contend that NTMWD has changed the computation of its revenue requirement or rate from one methodology to another during the Contract Period? If so, please provide a detailed explanation in your response.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities will be filing their direct case by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony, if any, after November 10.

Responsible Person: Counsel

NTMWD RFI 1-30

Have any of the Petitioning Cities considered obtaining wholesale water from a provider other than NTMWD? Produce all documents and communications related to analyses, studies, discussions, or negotiations regarding the ability of an alternative wholesale water provider providing water on a wholesale basis to any of the Petitioning Cities.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-31

Identify any and all wholesale water supply sources that could meet or partially meet the wholesale water demands of the Petitioning Cities as an alternative to being supplied by the District. Produce all documents and communications related to analyses, studies, discussions, or negotiations regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-32

List the other treated water service providers that have existed within three (3) miles of the jurisdictional boundaries of each Petitioning City at any time during the Contract Period.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-33

Produce all contracts and agreements that were entered into throughout the Contract Period or were enforceable on September 22, 2016, regarding the purchase of water, to which any of the Petitioning Cities is a party.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request. Documents responsive to this request are voluminous, as noted on the attached index.

Responsible Person: Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

Voluminous Index

Item No.	Description	Page Count
	Mesquite	
1	Dallas Rec. 1 – NTMWD – 12-10-1980	10
2	Dallas Rec. 2 – NTMWD – 10-17-1994	9
3	Dallas Rec. 3 – NTMWD – 5-3-1990	3
4	Dallas Rec. 4 – NTMWD – 11-27-1996	1
5	Dallas Rec. 5 – NTMWD – 5-9-1993	19
6	Dallas Rec. 6 – NTMWD – 12-13-1995	10
	Richardson	
7	1965 0407 NTMWD Water Supply Contract	9
8	1988 0801 NTMWD Regional Water Supply Facilities Amendatory Contract	51
9	1988 0926 Resolution Authorizing NTMWD Regional Water Supply Amendatory Contract	7
10	1993 0604 Emergency Reciprocal Water Connection Agreement	8
11	CoD - Amended Reciprocal Agmt - 1987	2
12	CoD - Reciprocal Agreement - 1983	8
13	CoD - Reciprocal Agreement - 1981	6

NTMWD RFI 1-34

For all entities that have provided treated water to each Petitioning City throughout the Contract Period, list the names of such service providers, and for each of these service providers, the dates that such services were provided, the quantity or amount of water delivered to the Petitioning City for such services, and the costs incurred by the Petitioning City for such services.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to their response to NTMWD RFI 1-33, and further state that they are not aware of any such services actually being provided. The Petitioning Cities are not providing information with respect to the District's provision of treated water.

Responsible Person: Jerry Dittman (Mesquite) and Dan Johnson (Richardson)

NTMWD RFI 1-35

Produce copies of all contracts for wholesale water service provided by each of the Petitioning Cities.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request. Documents responsive to this request are voluminous, as noted on the attached index.

Responsible Person: Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

Voluminous Index

Item No.	Description	Page Count
	Mesquite	
1	City of Mesquite - Kaufman County Contract 1st Amendment - 8-1-2005	14
2	City of Mesquite - Kaufman County Contract - 8-2-2004	40
3	Dallas Rec. 1 – NTMWD – 12-10-1980 <i>[see Item 1, Response to RFI 1-33]</i>	10
4	Dallas Rec. 2 – NTMWD – 10-17-1994 <i>[see Item 2, Response to RFI 1-33]</i>	9
5	Dallas Rec. 3 – NTMWD – 5-3-1990 <i>[see Item 3, Response to RFI 1-33]</i>	3
6	Dallas Rec. 4 – NTMWD – 11-27-1996 <i>[see Item 4, Response to RFI 1-33]</i>	1
7	Dallas Rec. 5 – NTMWD – 5-9-1993 <i>[see Item 5, Response to RFI 1-33]</i>	19
8	Dallas Rec. 6 – NTMWD – 12-13-1995 <i>[see Item 6, Response to RFI 1-33]</i>	10
9	Interlocal Agreement City of Balch Springs – 3-6-2000	11
10	Interlocal Agreement City of Garland – 12-6-1982	6
	Plano	
11	Agreement to Provide Potable Water Service to the Colony 1998/2011	68
	Richardson	
12	1993 0604 Emergency Reciprocal Water Connection Agreement <i>[see Item 10, Response to RFI 1-33]</i>	8
13	CoD - Amended Reciprocal Agmt – 1987 <i>[see Item 11, Response to RFI 1-33]</i>	2
14	CoD - Reciprocal Agreement - 1983 <i>[see Item 12, Response to RFI 1-33]</i>	8
15	CoD - Reciprocal Agreement – 1981 <i>[see Item 13, Response to RFI 1-33]</i>	6

NTMWD RFI 1-36

Describe and explain how the Protested Rate is prejudicial, preferential, or discriminatory to any Petitioning Cities when compared to the wholesale water rate NTMWD charges the other Member Cities.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-37

Describe and explain how the wholesale water rate that is the subject of the Petition is prejudicial, preferential, or discriminatory to the Petitioning Cities, as compared to the wholesale water rate NTMWD charges wholesale water customers other than the Member Cities.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-38

Describe and explain any disparate bargaining power between NTMWD and the Petitioning Cities, experienced by the Petitioning Cities, regarding the calculation and determination of wholesale water rates charged by NTMWD to the Petitioning Cities throughout the Contract Period.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-39

Explain your understanding of what is required to amend the Amendatory Contract.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-40

Produce all agendas, minutes, resolutions and orders relating to regular and special meetings of the city council of each Petitioning City regarding the negotiation, drafting, and approval of any proposed amendment to the Amendatory Contract.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-41

Do the Petitioning Cities allege NTMWD has impeded efforts by Member Cities to reform or amend the Amendatory Contract? Produce all documents and communications regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-42

Produce all documents and communications that evidence NTMWD's efforts to facilitate any efforts by Member Cities to reform or amend the Amendatory Contract.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-43

Have the Petitioning Cities, individually or collectively, analyzed ways in which the Amendatory Contract could be amended? Produce all documents and communications regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-44

What communications or discussions, if any, did the Petitioning Cities have with the District regarding issues addressed in the Petition prior to filing the Petition? Produce all documents and communications regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-45

What communications or discussions, if any, did the Petitioning Cities have with any of the other nine Member Cities regarding issues addressed in the Petition prior to filing the Petition? Produce all documents and communications regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

NTMWD RFI 1-46

Explain how the Amendatory Contract cost allocation methodology was originally formulated.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that the cost allocation methodology was formulated by contract.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-47

Explain whether all parties who signed the Amendatory Contract in 1988 agreed to the cost allocation methodology therein.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that the cost allocation methodology was formulated by contract and that a representative from each of the Petitioning Cities signed the contract.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-48

Explain whether all of the parties who signed the Amendatory Contract in 1988 participated in the formulation of the Amendatory Contract.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities respond that it is their understanding that the District provided a draft of the contract for the Petitioning Cities to review before representatives from each of the Petitioning Cities signed the contract.

Responsible Person: John Baker (Garland), Jerry Dittman (Mesquite), Bruce Glasscock (Plano), and Dan Johnson (Richardson)

NTMWD RFI 1-49

Please describe the role each of the Petitioning Cities played, if any, in the founding and creation of the District, including any participation or activities associated with the Enabling Legislation for the District. Produce all documents and correspondence regarding the same.

Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities direct the District to the direct case testimony of the Petitioning Cities, which will be filed by November 10. The Petitioning Cities will supplement this response with citations to responsive portions of direct case testimony after November 10.

Responsible Person: Counsel

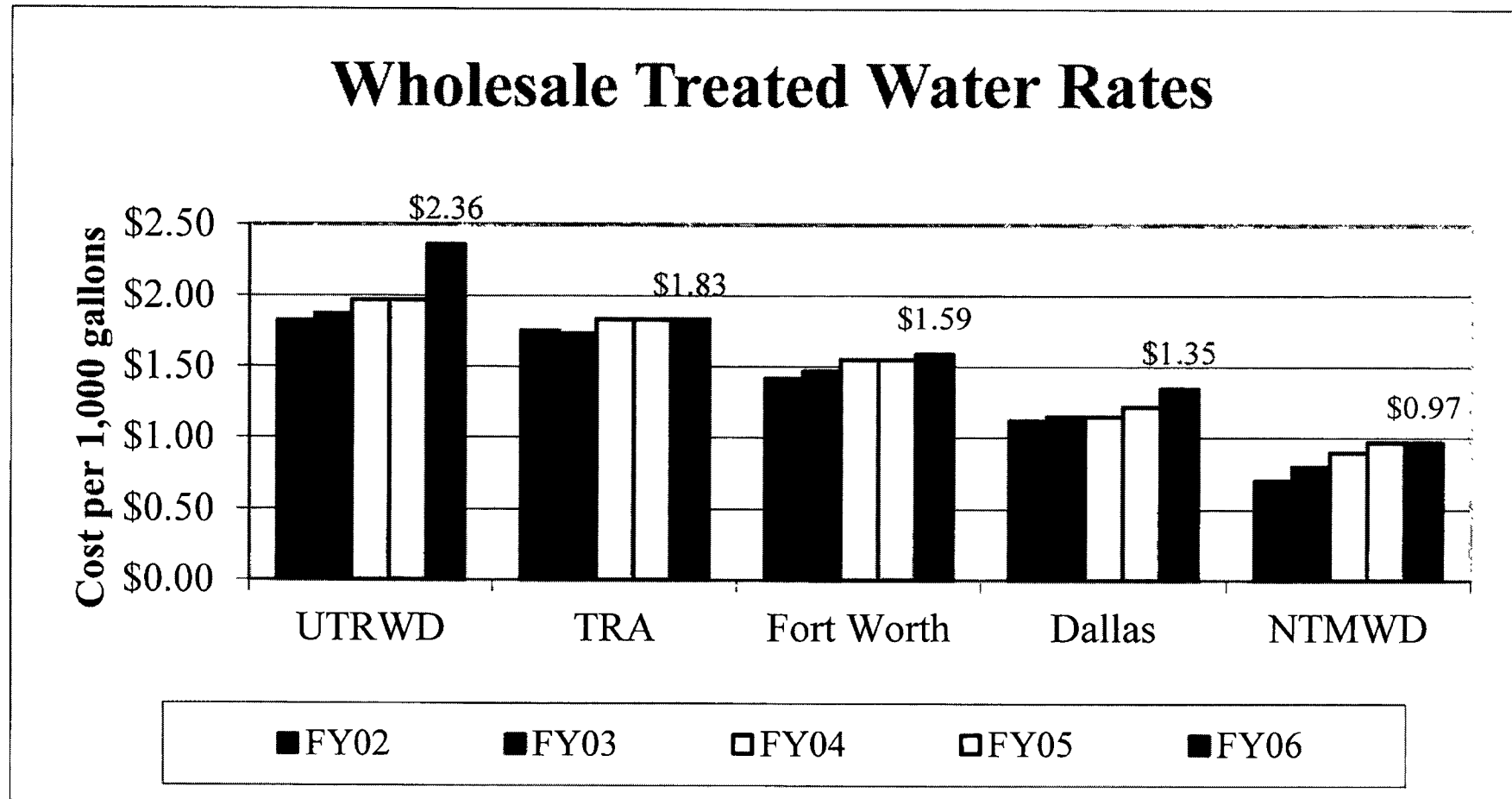
NTMWD RFI 1-50

Produce all documents in the possession of the Petitioning Cities regarding wholesale water rates charged by wholesale water providers in Texas, other than the NTMWD.

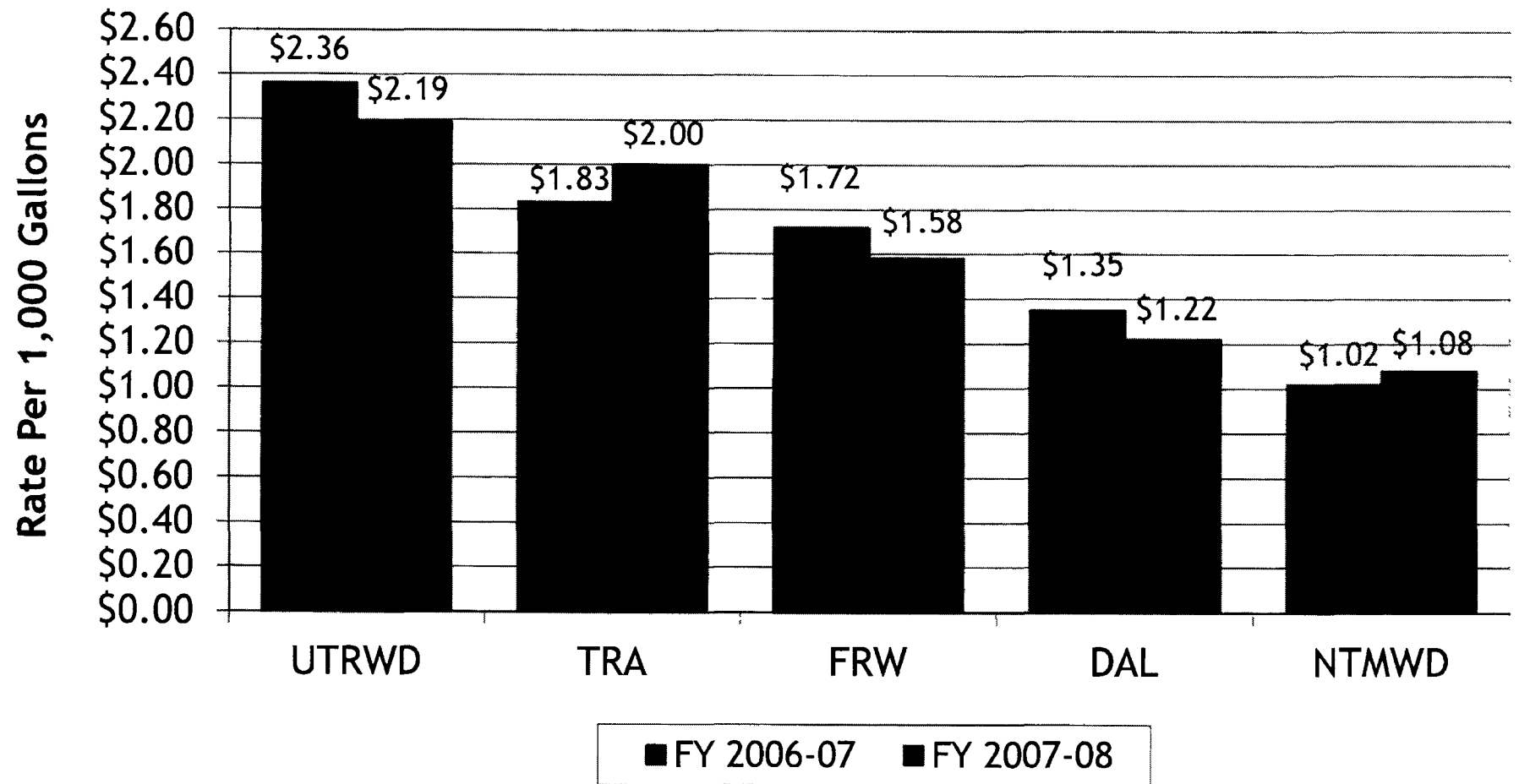
Response:

This response is subject to a pending objection. Pursuant to and without waiving this objection, the Petitioning Cities are providing documents responsive to this request.

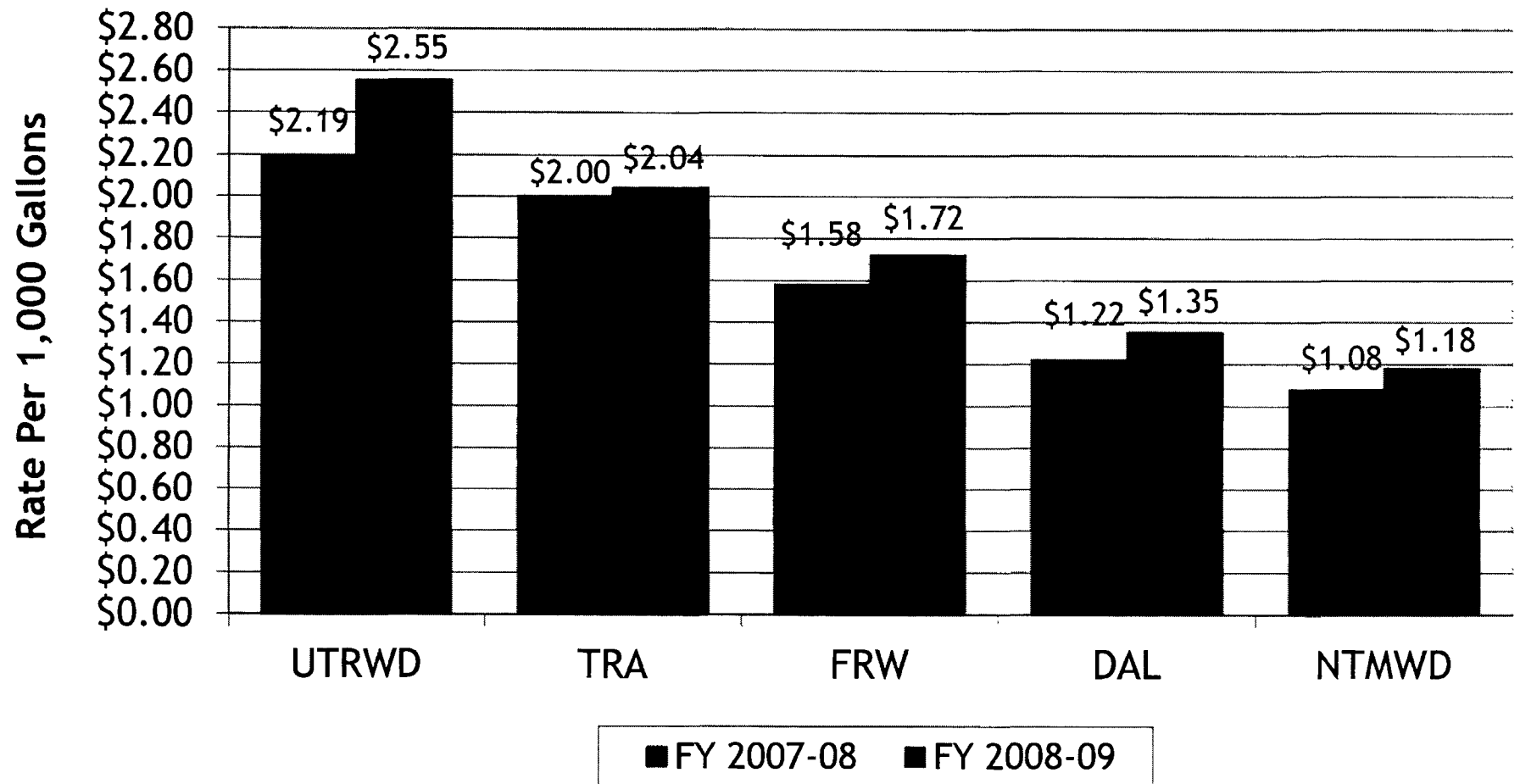
Responsible Person: Dan Johnson (Richardson) and Bruce Glasscock (Plano)



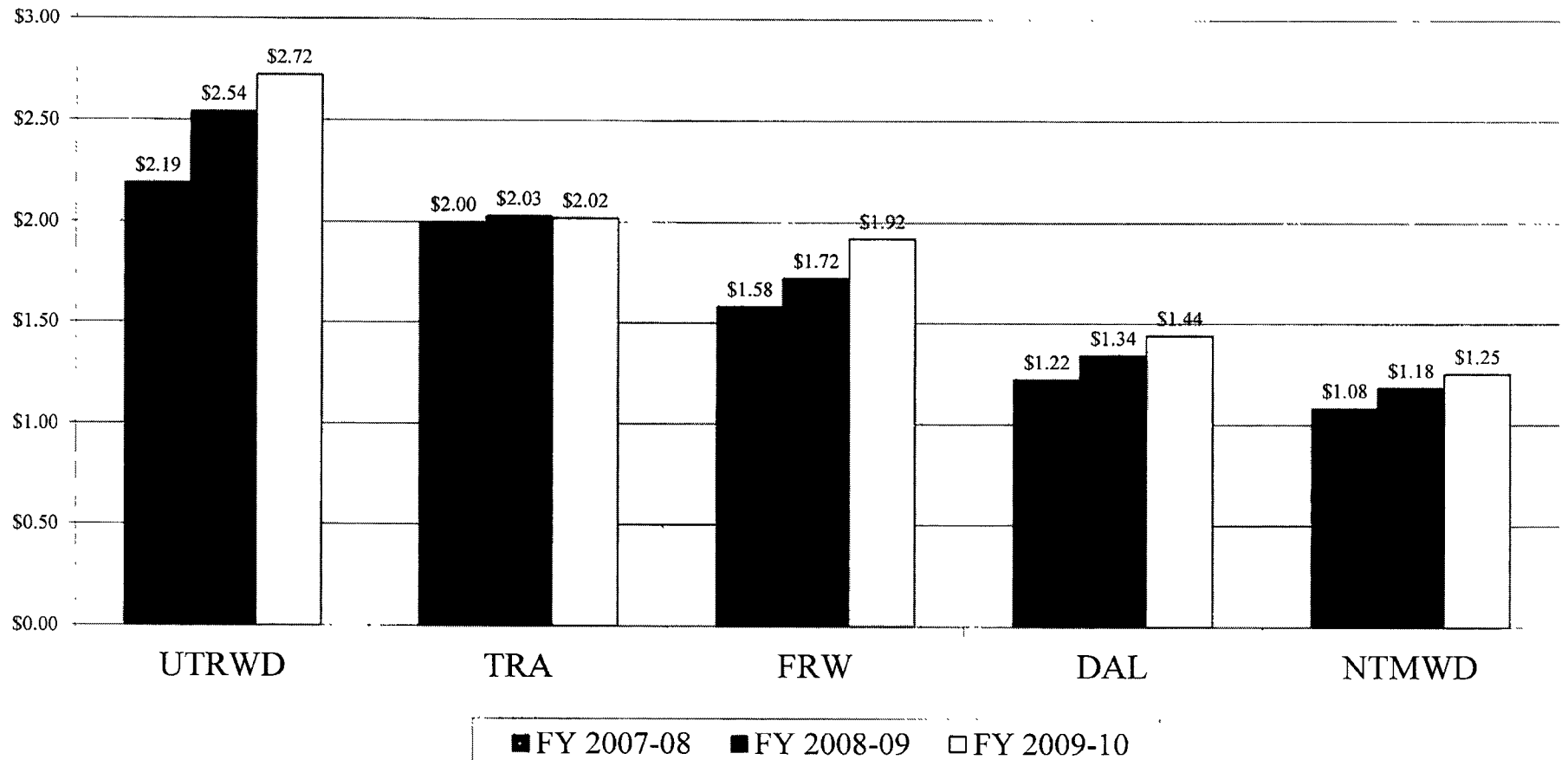
FY 2006-07 & FY 2007-08 Wholesale Treated Water Rates



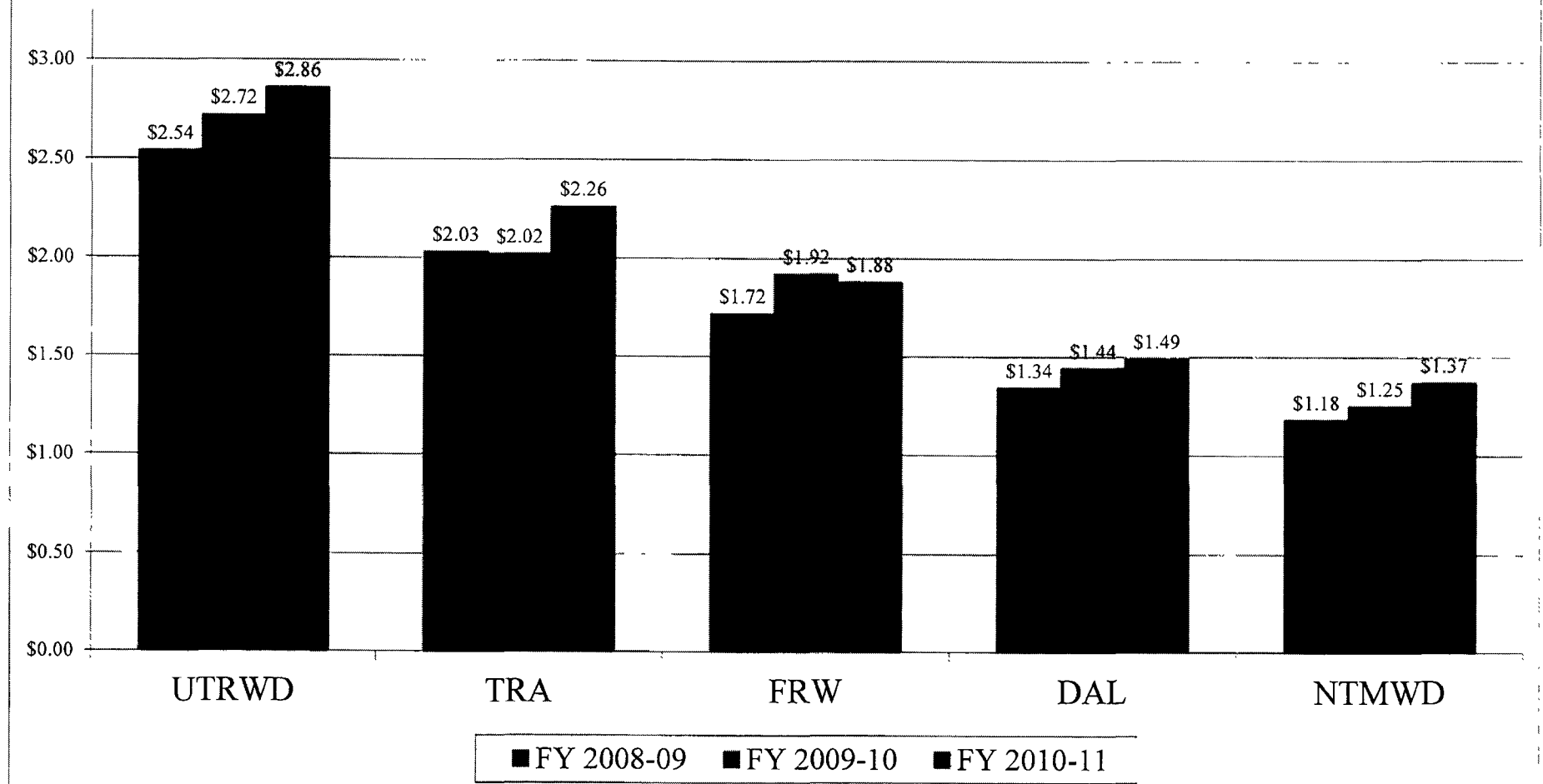
FY 2007-08 & FY 2008-09 Wholesale Treated Water Rates



FY 2007-08 / FY 2008-09 / FY 2009-10 Wholesale Treat Water Rates

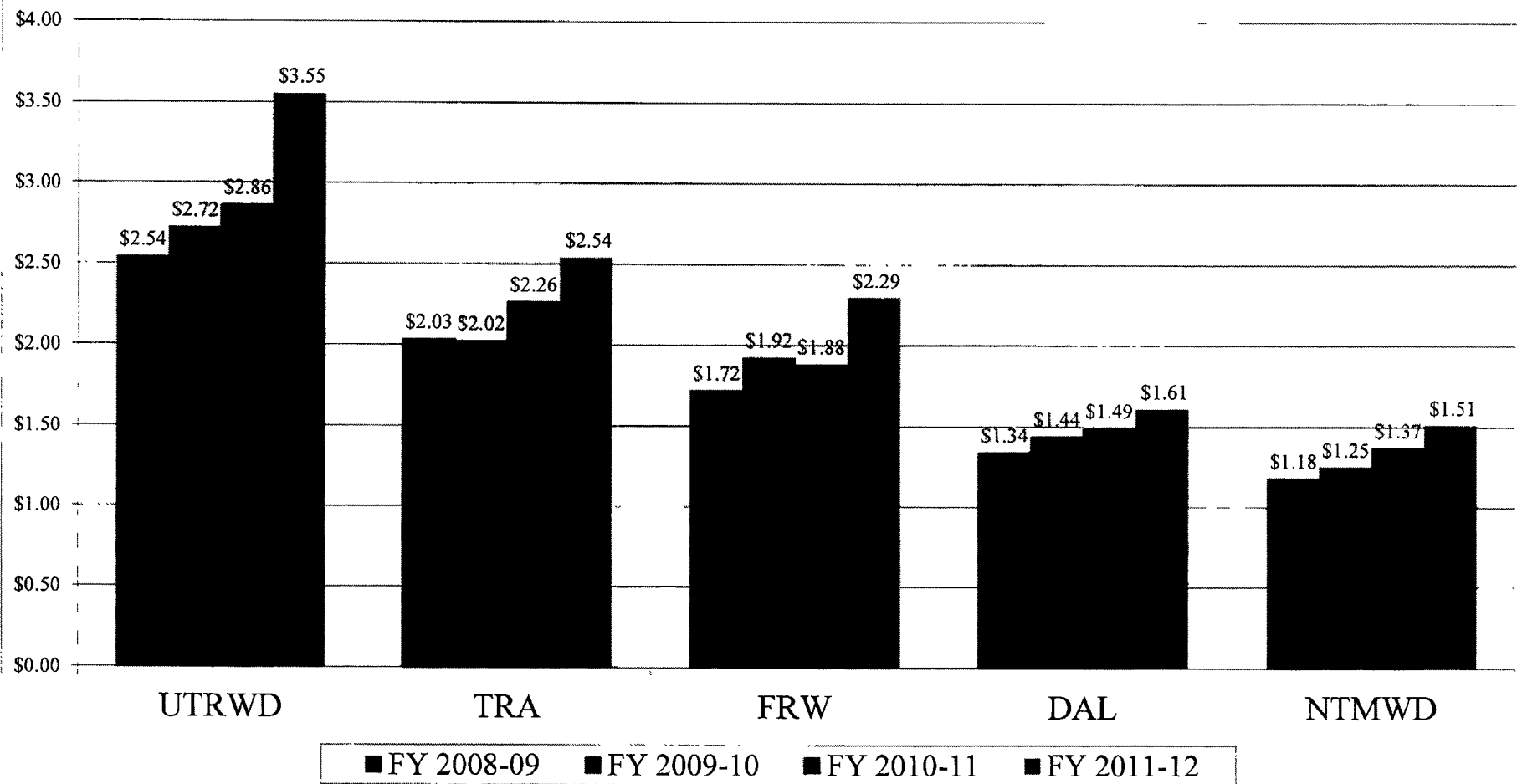


FY 2008-09 / FY 2009-10 / FY 2010-11 Wholesale Treat Water Rates

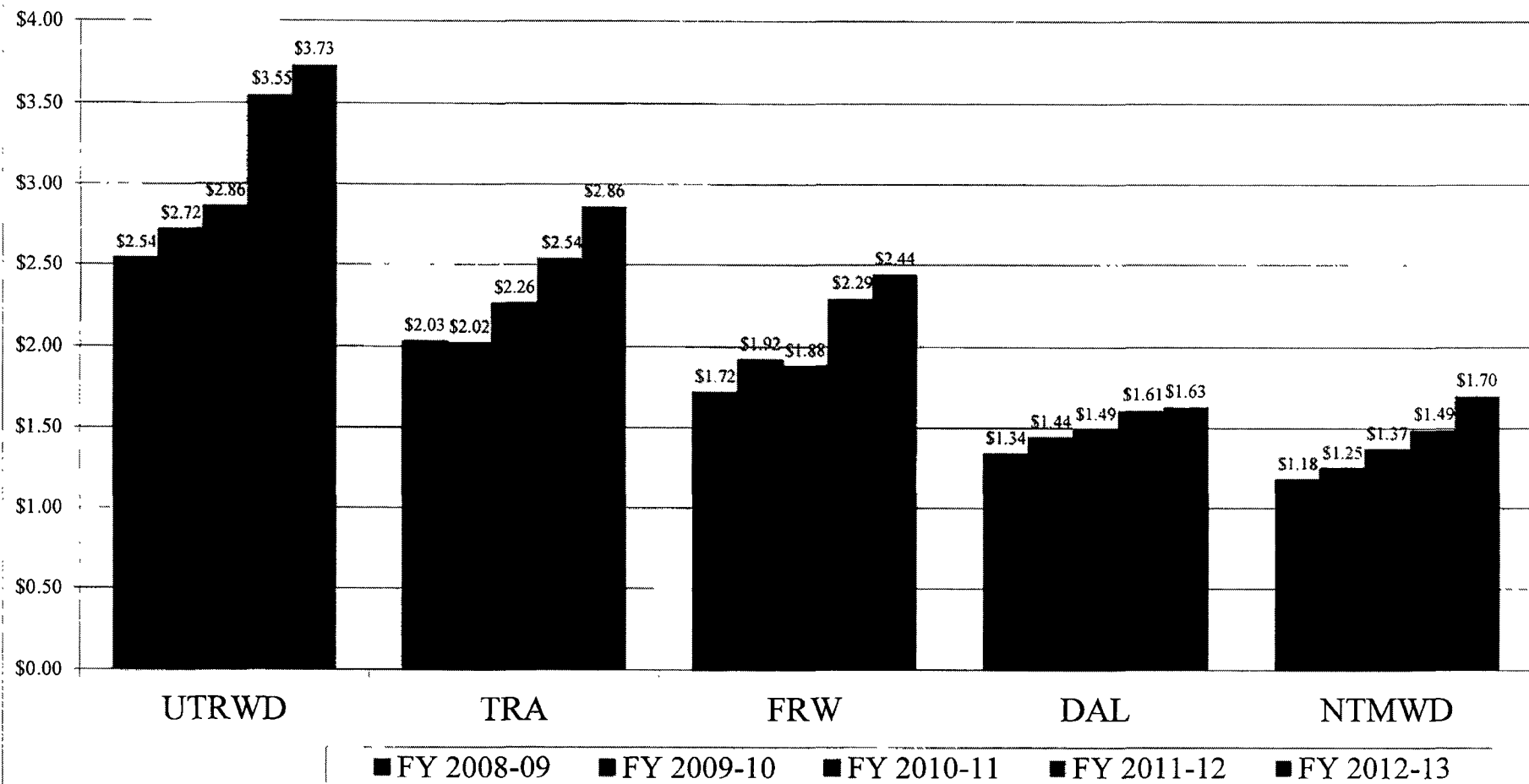


FY 2008-09 / FY 2009-10 / FY 2010-11 / FY 2011-12 / FY 2011-12

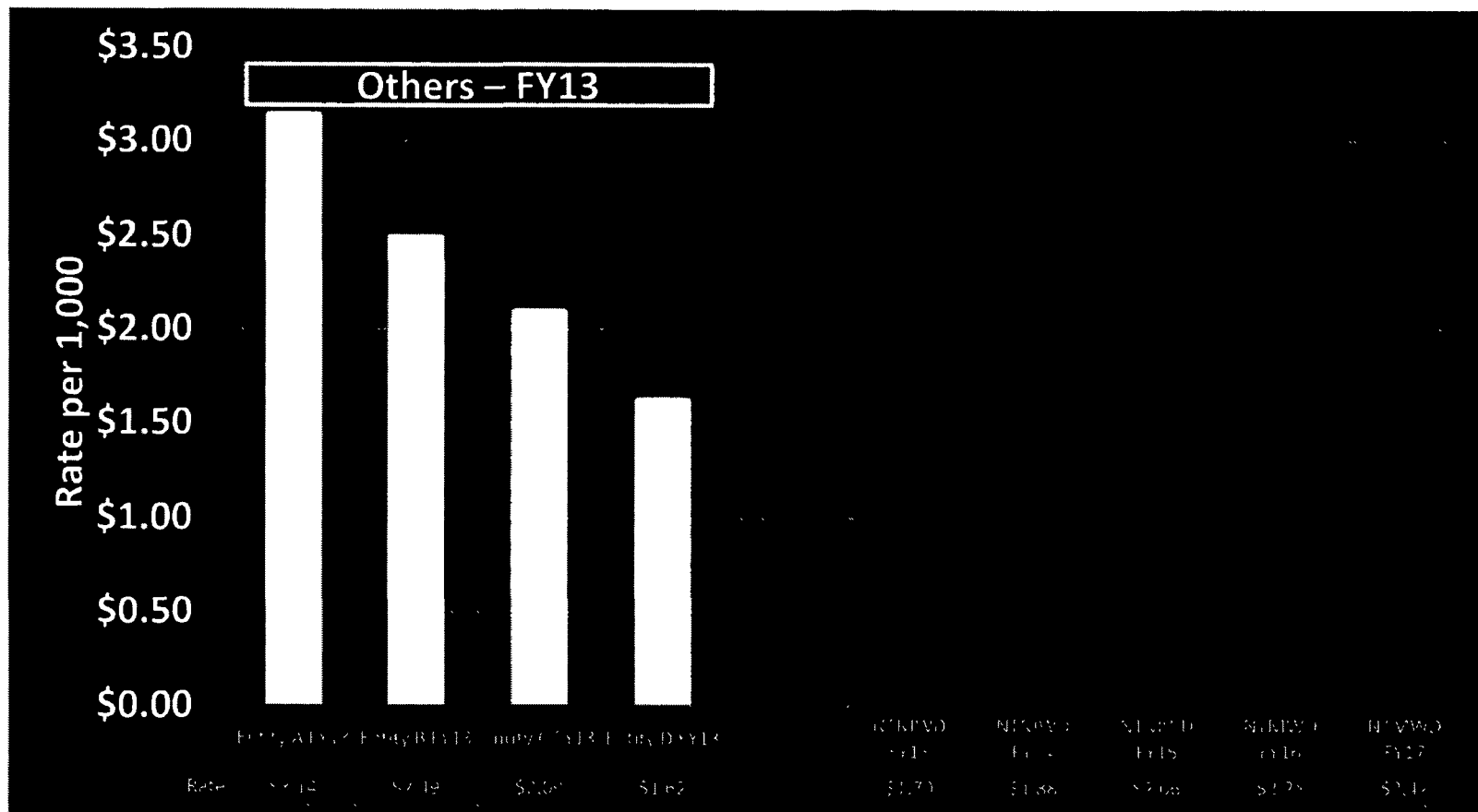
Wholesale Treat Water Rates



FY 2008-09 / FY 2009-10 / FY 2010-11 / FY 2011-12 / FY 2011-12 / FY 2012-13
Wholesale Treat Water Rates

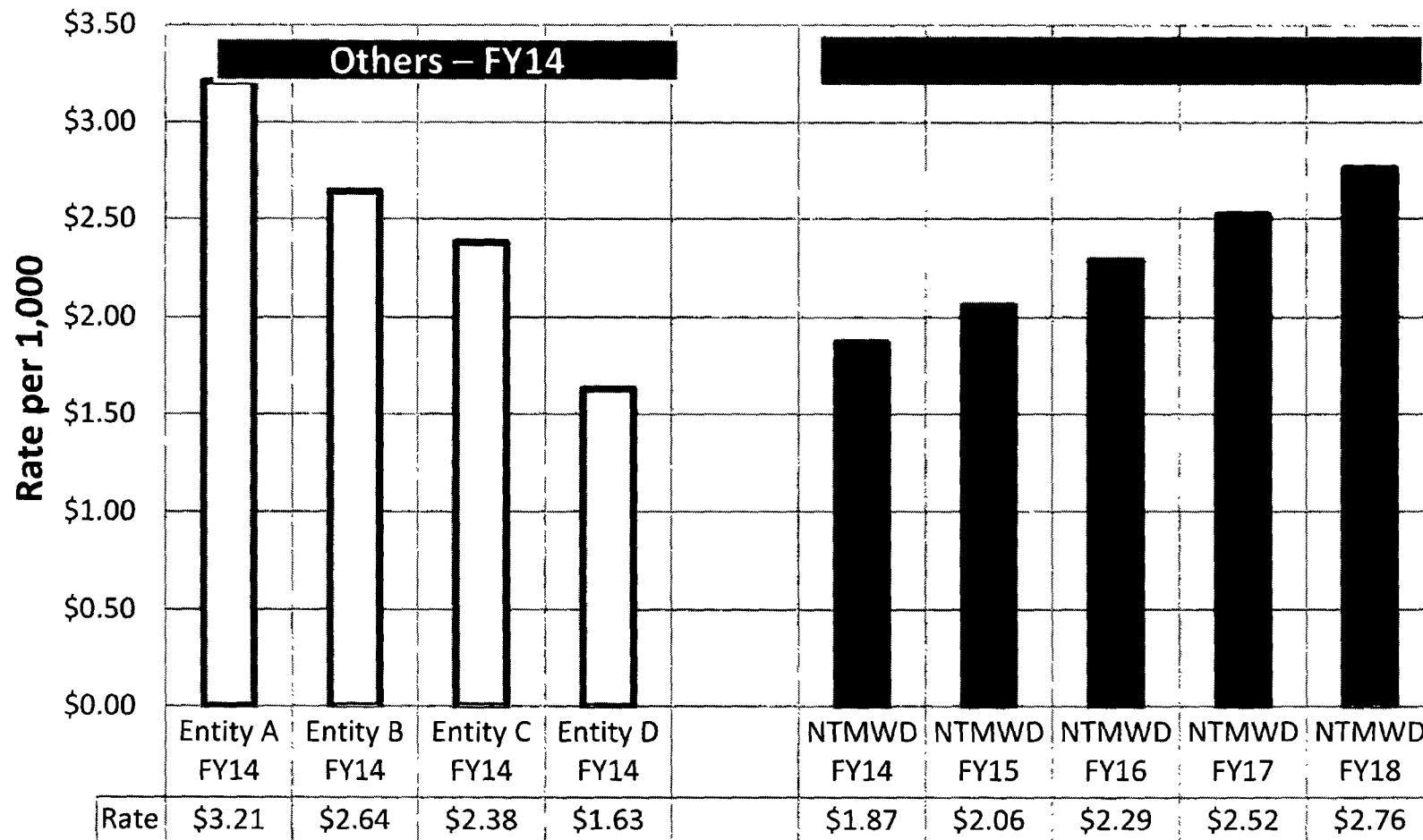


FY 2013-2014 North Texas Municipal Water District Cost Comparison



(80)

FY 2014-2015 North Texas Municipal Water District Cost Comparison

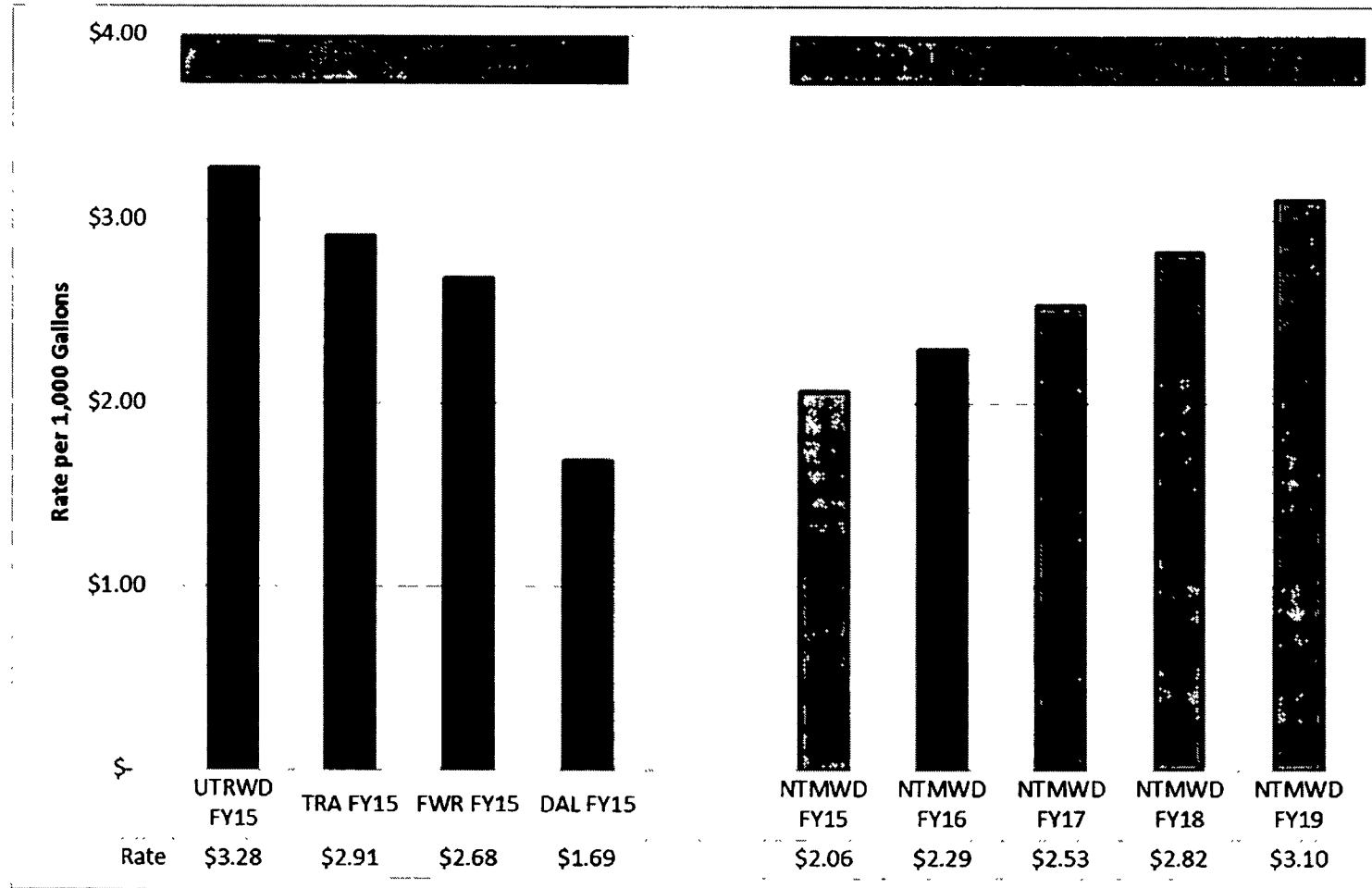


(83)

FY 2015-2016

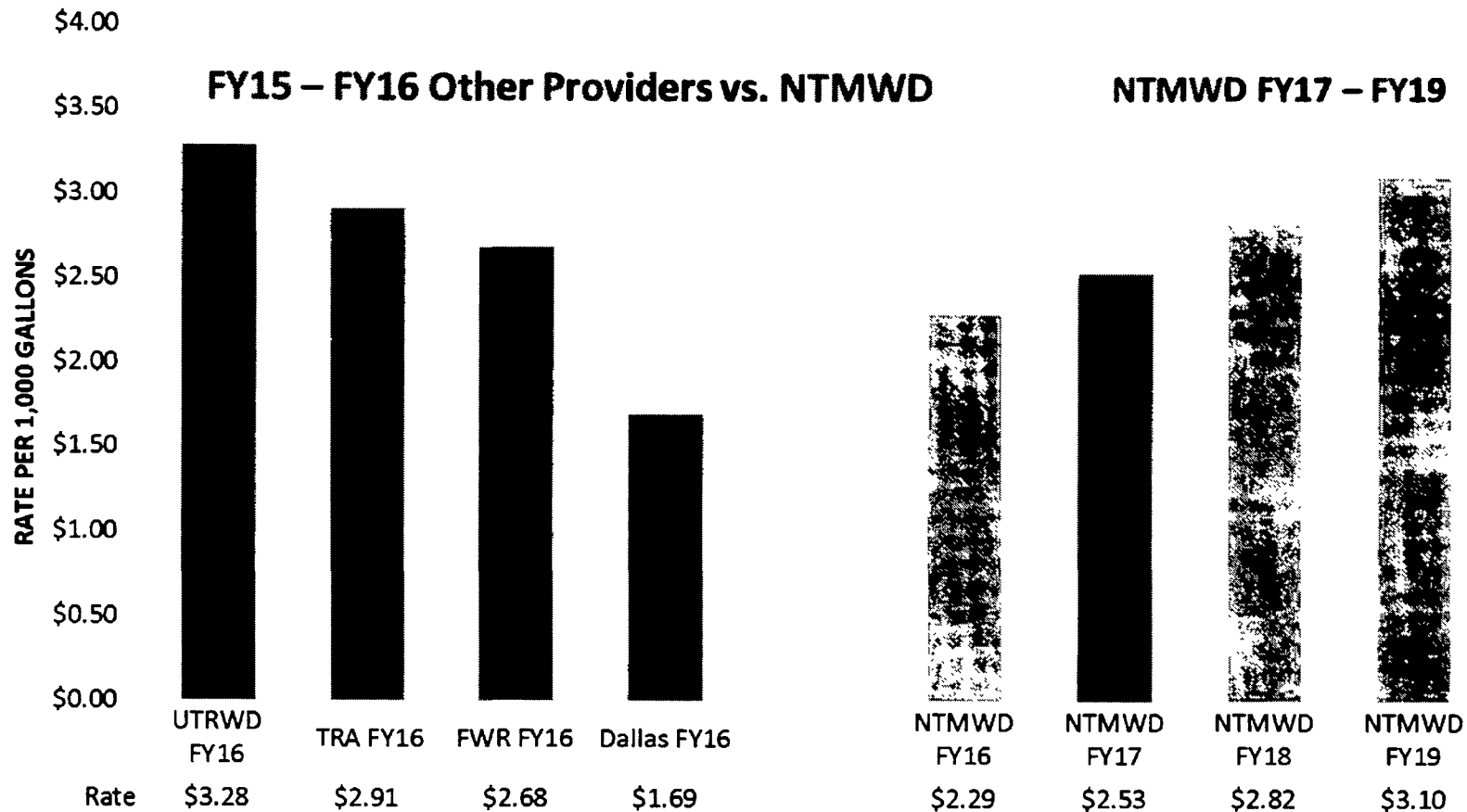
North Texas Municipal Water District

Cost Comparison



(95)

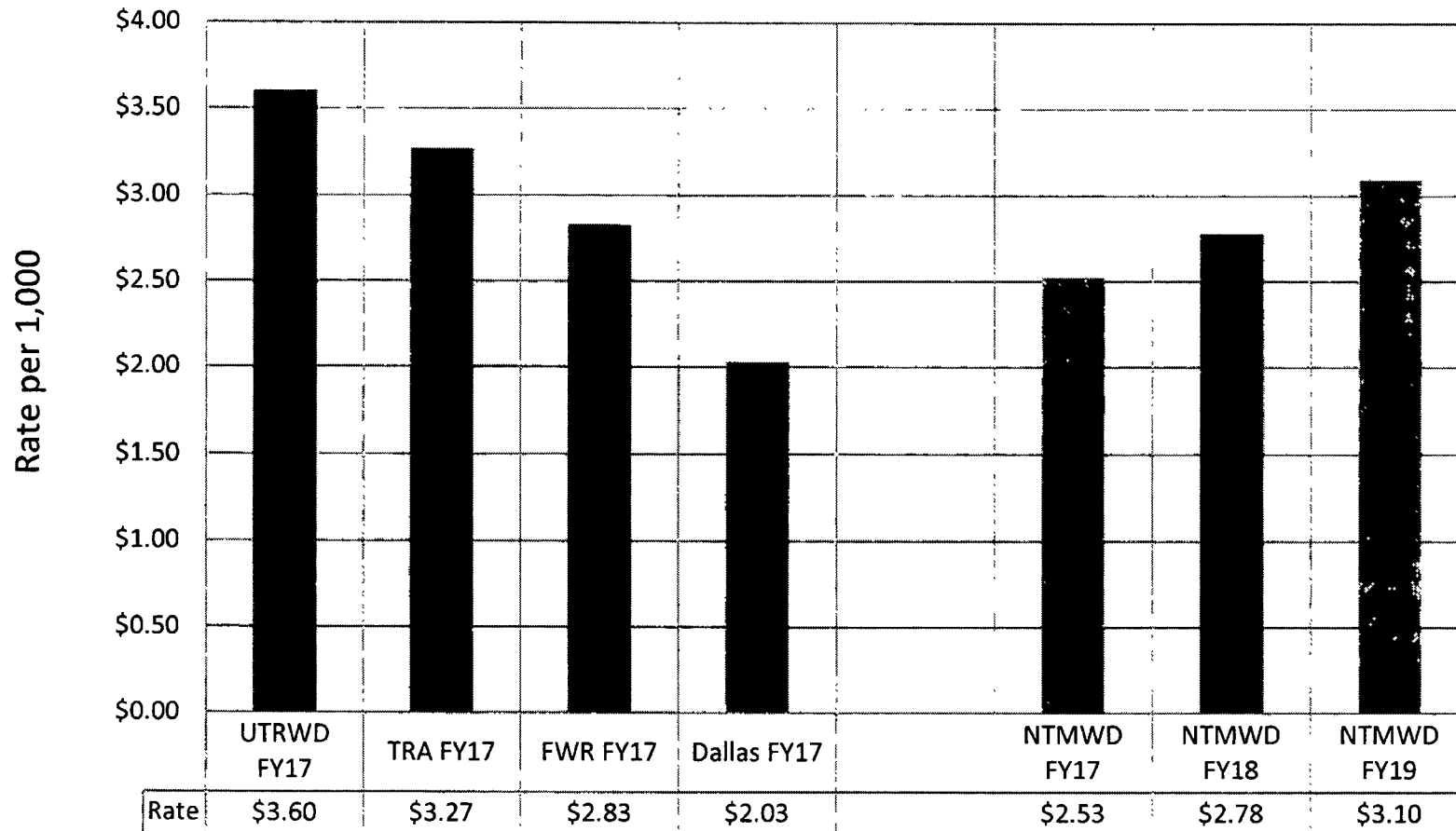
FY 2016-2017 North Texas Municipal Water District Cost Comparison



FY 2017-2018

North Texas Municipal Water District

Cost Comparison



(76)



RECEIVED

JAN 31 2014
CITY MANAGER'S OFFICE

January 23, 2014

CERTIFIED MAIL 7012 1640 0001 1983 2014

Mr. Bruce Glasscock
City Manager
City of Plano
P.O. Box 860358
Plano, TX 75086-0358

Dear Mr. Glasscock:

Enclosed for your information and use is a copy of the City of Dallas' Ordinance No. 29150, as passed by the Dallas City Council on September 18, 2013, adjusting rates for water and wastewater services. The new wholesale rates became effective October 1, 2013.

Dallas Water Utilities will continue reviewing the adequacy of rates and perform annual cost of service studies. Contracts with certain customers require a specific notice in advance of a revision in rates while others do not. However, we want to be sure that all customers receive the same information. Therefore, please consider this letter as our notice of intent to revise rates on or about October 1, 2014, to cover the cost of providing water and wastewater services. The amount of that revision will be determined cooperatively with your participation invited during the upcoming months.

We will keep you informed as we progress. If you need any additional information, please contact Jacqueline Culton, Program Manager, Wholesale Services Division, at 214-670-5243.

Sincerely,

Jo M. (Jody) Puckett, P.E.
Director

c: Terry Lowery, Assistant Director of Business Operations, Dallas Water Utilities
Gerald Cosgrove, Director of Public works, City of Plano

Our Vision: To be an efficient provider of superior water and wastewater service and a leader in the water industry.

Wholesale Services • 1500 Marilla, Room 4AS, Dallas, Texas 75201
Telephone: (214) 670-5888 • Fax: (214) 670-3154

131652

8/29/13

ORDINANCE NO. 29150

An ordinance amending Sections 49-18.1, 49-18.2, 49-18.4, 49-18.5, 49-18.7, 49-18.9, and 49-18.12 of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended; adjusting rates and charges for treated water service, wastewater service, wholesale water and wastewater service to governmental entities, untreated water service, service connections, fire hydrant usage, and industrial surcharges for excessive concentrations; providing a penalty not to exceed \$2,000; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 49-18.1, "Rates for Treated Water Service," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.1. RATES FOR TREATED WATER SERVICE.

(a) Form of rate. The monthly rate for treated water service to a customer consists of:

- (1) a customer charge; and
- (2) a usage charge.

(b) Billing cycle. In this section, water used per month is based upon the billing cycle of the department.

(c) Rate tables. The director shall charge customers for treated water service in accordance with the following tables:

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(1) Water Service Customer Charges.

<u>METER SIZE</u>	<u>RATE PER METER</u>
5/8-inch meter	\$4.65 [4.40]
3/4-inch meter	6.45 [6.15]
1-inch meter	9.38 [8.95]
1-1/2-inch meter	17.47 [16.67]
2-inch meter	27.26 [26.01]
3-inch meter	66.56 [63.50]
4-inch meter	110.59 [105.50]
6-inch meter	219.60 [209.50]
8-inch meter	364.98 [348.20]
10-inch meter or larger	561.26 [535.45]

(2) Usage Charge—Rate Per 1,000 Gallons.

SAGE

(A) Residential:

(i) Up to 4,000 gallons	\$1.80 [1.77]
(ii) 4,001 to 10,000 gallons	3.77 [3.55]
(iii) 10,001 to 15,000 gallons	5.20 [4.92]
(iv) Above 15,000 gallons	7.09 [6.67]

(B) General service:

(i) Up to 10,000 gallons	2.70 [2.56]
(ii) Above 10,000 gallons	3.30 [3.07]
(iii) Above 10,000 gallons and 1.4 times annual average monthly usage	4.65 [4.42]

(d) Applicability of rates to meters. The charges for water service in Subsection (c) of this section apply to each meter that exists at a customer's premises. A customer may request removal of inactive meters to combine services through a single meter. If, within one year, a customer requests removal and restoration of a meter that is used for lawn sprinkling, air conditioning, or other seasonal purposes, the customer shall pay a reconnection charge that is equal to the monthly customer charge in Subsection (c) of this section multiplied by the number of months the service was discontinued.

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(e) Rates where no meter exists. If a customer is without a meter, the minimum usage charge per month is based upon the average monthly usage for a customer in the same service class at the rate specified in Subsection (c) of this section. The customer charge is based upon the size of the service line at the property.

(f) Election for certain general water service customers. A general water service customer inside the city who uses at least 1,000,000 gallons of water per month may elect, in writing, to be assessed the special charges under this subsection instead of the regular general service rate, according to the following conditions:

(1) The customer must agree to pay each year:

(A) the monthly customer charge provided in Subsection (c);

(B) \$1,945.98 [~~1,856.50~~] per month as a usage charge on the first 1,000,000 gallons used in a billing period; and

(C) \$2.55 [~~2.41~~] per 1,000 gallons used in excess of 1,000,000 gallons per month.

(2) The customer must agree that consumption billed during any billing period ending in May, June, July, August, September, and October will not exceed 1.5 times the average monthly consumption billed in the previous winter months of December through March.

(3) To be eligible for the special rate, a customer's maximum hourly water usage during a seven-day period must not be greater than seven times the average hourly usage rate for the same seven-day period.

(4) If a customer's usage of water exceeds the amounts allowed under Subsection (f)(2) or (f)(3), the customer will be notified that the customer will be billed at the regular usage charge stated in Subsection (c) for a minimum of 12 months, and such additional time until the customer can demonstrate to the satisfaction of the director that the requirements of Subsection (f)(2) and (f)(3) can be maintained.

(5) The director may grant a variance to Subsection (f)(4) where special circumstances warrant.

(g) Adjusted rates for hidden water leaks. When a customer experiences a substantial increase in water or wastewater usage from a hidden water leak and the customer meets the requirements of Section 49-9(e), the director will adjust the account and bill the customer:

(1) an estimated amount of normal water usage for the period at the regular rate;

(2) the excess water usage caused by the hidden leak at the following applicable rate:

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<u>TYPE OF USAGE</u>	<u>RATE PER 1,000 GALLONS</u>
(A) Residential	<u>1.80</u> [1.77]
(B) General service	<u>2.70</u> [2.56]
(C) Optional general service	<u>2.55</u> [2.41]
(D) Municipal service	<u>2.25</u> [2.16]

and

(3) the applicable wastewater rate prescribed in Section 49-18.2(c), based on an adjustment of wastewater volume to estimated normal volume, where adjustment is appropriate.

(h) Billing based on full month. If a customer requests discontinuance of service at an address where uninterrupted service was provided for a period of time so short that the only bill for services rendered would be the final bill, such billing will be computed as though service had been furnished for a full billing month.

(i) Rates for municipal purpose water service. Water service to property owned by the city of Dallas that is used solely for municipal purposes may be charged \$2.25 [~~2.16~~] per 1,000 gallons of water used."

SECTION 2. That Section 49-18.2, "Rates for Wastewater Service," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.2. RATES FOR WASTEWATER SERVICE.

(a) Form of rate. The monthly rate for wastewater service to a customer consists of:

- (1) a customer charge;
- (2) a usage charge; and
- (3) a surcharge for excessive concentration of wastes, if applicable.

(b) Billing cycle. In this section, water used per month is based upon the billing cycle of the department.

(c) Rate tables. The director shall charge a customer for wastewater service in accordance with the following tables:

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Wastewater Service Charges.

(1) Monthly customer charges

<u>METER SIZE</u>	<u>RATE PER METER</u>
5/8-inch meter	<u>\$4.40</u> [4.20]
3/4-inch meter	<u>5.90</u> [5.65]
1-inch meter	<u>8.53</u> [8.14]
1-1/2-inch meter	<u>16.01</u> [15.27]
2-inch meter	<u>25.82</u> [24.63]
3-inch meter	<u>61.45</u> [58.62]
4-inch meter	<u>100.10</u> [95.50]
6-inch meter	<u>201.31</u> [192.05]
8-inch meter	<u>332.91</u> [317.60]
10-inch meter or larger	<u>507.07</u> [483.75]

- | | |
|--|--|
| <p>(2) Monthly residential usage charge</p> | <p><u>\$4.90</u> [4.80] per 1,000 gallons of the average water consumption billed in the months of December, January, February, and March, or of the actual month's water consumption, whichever is less, up to a maximum charge of 40,000 gallons per month</p> |
| <p>(3) Monthly general service usage charge</p> | <p><u>\$3.47</u> [3.24] per 1,000 gallons of water used</p> |
| <p>(4) Monthly usage charge for Section 49-18.1(f) customer</p> | <p><u>\$3.22</u> [3.07] per 1,000 gallons of water used</p> |
| <p>(5) Monthly general service usage charge for wastewater separately metered</p> | <p><u>\$3.40</u> [3.20] per 1,000 gallons of wastewater discharged</p> |
| <p>(6) Monthly surcharge for excessive concentrations of waste</p> | <p>An amount calculated in accordance with Sections 49-18.12, 49-48 and 49-49 of this chapter</p> |

29150

131652

- | | |
|---|--|
| (7) Monthly surcharge
for excessive
concentrations of
waste for wastewater
separately metered | An amount calculated
in accordance with
Sections 49-18.12,
49-48 and 49-49 of
this chapter |
|---|--|

(d) Where residential water service is not used. If a residential customer does not receive water service solely from the city, the director shall estimate water used per month to determine the usage charge in Subsection (c).

(e) Where general water service is not used. If a general service customer does not receive water service solely from the city, the customer must install and maintain, at the customer's expense, adequate meters that measure total water usage from other sources and that meet American Water Works Association standards. The customer must pay an additional customer charge of \$10.00 per month for each meter, regardless of size, installed under this subsection. When a meter is inaccurate, the director may estimate water usage.

(f) Rates for municipal purpose wastewater service. Wastewater service to property owned by the city of Dallas that is used solely for municipal purposes may be charged \$2.55 {2.48} per 1,000 gallons of water used."

SECTION 3. That Section 49-18.4, "Rates for Wholesale Water and Wastewater Service to Governmental Entities," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.4. RATES FOR WHOLESALE WATER AND WASTEWATER SERVICE TO GOVERNMENTAL ENTITIES.

(a) Form of rate. The director may provide wholesale water service to governmental entities. The service will be furnished in accordance with a written contract at the rates prescribed in this section and under such other terms and conditions as the city council deems reasonable. The rate for wholesale water service to a governmental entity will consist of:

- (1) a volume charge and a demand charge; or
- (2) a flat rate charge.

(b) Rate table. The director shall charge a governmental entity for wholesale water service in accordance with the following:

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(1) The volume charge for treated water is \$0.3673 [~~3655~~] per 1,000 gallons of water used, and the annual water year demand charge is \$208,941 [~~202,785~~] per each mgd, as established by the highest rate of flow controller setting.

(2) If a flat rate charge for treated water is provided by contract, or in the absence of a rate of flow controller, the charge is \$1.6732 [~~6329~~] per 1,000 gallons of treated water used.

(3) A monthly readiness-to-serve charge will be assessed for any standby service point. The monthly fee, based on size of connection, is as follows:

<u>Size of Connection</u>	<u>Monthly Standby Fee</u>
3-inch	<u>\$66.56</u> [63.50]
4-inch	<u>110.59</u> [105.50]
6-inch	<u>219.60</u> [209.50]
8-inch	<u>364.98</u> [348.20]
10-inch or larger	<u>561.26</u> [535.45]

(4) The rate for regular untreated water service to a governmental entity is \$0.5355 [~~4587~~] per 1,000 gallons of untreated water used. The rate for interruptible untreated water service to a governmental entity is \$0.2430 [~~2420~~] per 1,000 gallons of untreated water used.

(c) Revisions. Unless otherwise provided in this chapter, if the written contract for wholesale service between the city and a governmental entity provides for revision of rates, the charges under the written contract must comply with the charges provided in this section.

(d) Emergency exchanges. The director may, in the interest of the city and its customers, make connection agreements with other governmental entities for emergency exchange of water.

(e) Wholesale wastewater rates. The director may provide wholesale wastewater service to other governmental entities by contract, in accordance with the following rules:

(1) The monthly rate for wholesale wastewater service is \$2.3326 [~~2.2967~~] per 1,000 gallons of wastewater discharged. The director is authorized to compensate those governmental entities located within the boundaries of the city for the city's use of integrated facilities owned by those governmental entities.

(2) An infiltration and inflow adjustment factor of 10.9 [~~12.8~~] percent will be added to the average water consumption for the months of December, January, February, and March to determine billable volume for a governmental entity with unmetered wholesale wastewater service.

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(3) If the BOD or suspended solids concentration of waste discharged exceeds 250 mg/L, the governmental entity must pay a surcharge calculated in accordance with Section 49-18.12(1)(A) or (B), whichever applies.

(f) Treatment of water owned by another governmental entity. The director may provide treatment services at the Elm Fork water treatment plant to water owned by another governmental entity in accordance with a written contract. The volume charge for treating water owned by another governmental entity is \$0.2840 [2946] per 1,000 gallons of water treated, and the annual water year demand charge is \$38,991 [43,302] per each mgd, as established by the maximum demand capacity set forth in the contract."

SECTION 4. That Section 49-18.5, "Rate for Untreated Water," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.5. RATE FOR UNTREATED WATER.

(a) Regular rate. The charge for untreated water is \$0.5355 [4587] per 1,000 gallons of water used.

(b) Interruptible rate. The charge for interruptible service is \$0.2430 [2420] per 1,000 gallons of water used.

(c) Reservoir supply permits. The director may authorize contracts with owners of property abutting water supply lakes or streams for the domestic use of untreated water. A contract under this subsection may not allow withdrawal of untreated water in excess of 10 acre-feet per year. A charge for water used will be made as provided in Subsection (a) or (b). The term of such contracts may not exceed three years, but the contracts are renewable at the option of the city. An application for a contract or contract renewal under this subsection must be accompanied by a nonrefundable processing fee of \$95.

(d) Commercial contracts for untreated water.

(1) Short-term contracts. The director may authorize short-term contracts, without the necessity of council approval, with owners of property abutting water supply lakes or streams for the commercial use of untreated water. A contract under this paragraph may not allow withdrawal of untreated water in excess of 10 acre-feet per year. A charge for water used will be made as provided in Subsection (a) or (b). The term of such contracts may not exceed three years, but the contracts are renewable at the option of the city. An application for a short-term contract or contract renewal must be accompanied by a nonrefundable processing fee of \$225.

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(2) Long-term contracts. The director may authorize long-term contracts, with council approval, with owners of property abutting water supply lakes or streams for the commercial use of untreated water. A contract under this paragraph may allow withdrawal of untreated water in excess of 10 acre-feet per year. A charge for water used will be made as provided in Subsection (a) or (b). The term of such contracts may exceed three years, and are renewable at the option of the city. An application for a long-term contract or contract renewal must be accompanied by a nonrefundable processing fee of \$385.

(c) Treatment plant effluent. Wastewater treatment plant effluent may be purchased for one-half of the regular rate for untreated water. No distribution facilities will be provided by the city."

SECTION 5. That Subsection (a) of Section 49-18.7, "Service Connection Charges," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"(a) Water service installation and connection charge. The director shall charge for the installation of all water service connections at the following rates:

(1) Water Service Installation Charges.

<u>Connection Size</u>	<u>Fee</u>
3/4-inch	\$2,650 [2,040].00
1-inch	\$2,750 [2,180].00
1 1/2-inch	\$3,603 [3,115].00
2-inch	\$3,605 [3,252].00

(2) Connecting Existing Water Service.

<u>Connection Size</u>	<u>Fee</u>
3/4-inch	\$925 [295].00
1-inch	\$975 [325].00
1 1/2-inch	\$1,325 [875].00
2-inch	\$1,575 [975].00
Up to 2-inch bullhead	\$2,575 [1,225].00"

SECTION 6. That Subsection (b) of Section 49-18.7, "Service Connection Charges," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

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"(b) Wastewater service installation and connection fees. Except as provided in Subsection (d), the city shall charge the following rates for the installation or connection of residential wastewater service lines:

- | | | |
|-----|---|---|
| (1) | First wastewater service line installation and connection charge | \$ <u>2,674</u> [2,066].00 |
| (2) | For connecting existing wastewater service lines constructed by other persons | \$ <u>475</u> [275].00" |

SECTION 7. That Section 49-18.9, "Charges for Use of Fire Hydrants," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.9. CHARGES FOR USE OF FIRE HYDRANTS.

A person requesting use of water from a fire hydrant pursuant to Section 49-27 shall pay the following application charges:

- (1) a deposit of \$1,500 to be refunded when the service is discontinued and the meter is returned to the city by the person or the person's authorized representative, less any unpaid fees for services and any costs to repair damage in excess of normal wear;
- (2) a monthly fire hydrant service charge of \$66.56 [~~63.50~~]; and
- (3) a usage charge for water that will be billed at the general service rate prescribed in Section 49-18.1(c)(2)(B)."

SECTION 8. That Section 49-18.12, "Industrial Surcharge Rate Formula for Excessive Concentrations," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

"SEC. 49-18.12. INDUSTRIAL SURCHARGE RATE FORMULA FOR EXCESSIVE CONCENTRATIONS.

Surcharge rate formula. The person responsible for industrial waste discharge in excessive concentrations of BOD and suspended solids shall pay an industrial surcharge in addition to regular water and wastewater rates, either under Section 49-49 or in accordance with the following cost factors and formula:

- (1) The user's cost factors for excessive industrial waste are based on the capital and operating cost of wastewater facilities to provide treatment for the reduction of BOD and suspended solids. The formula is:

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(A) Surcharge for excessive concentrations:

Payment rate per 1,000 gallons:

$$\frac{\$2.41860 [2.33520](\text{BOD} - 250)}{1,000} + \frac{\$1.50120 [1.41780](\text{SS} - 250)}{1,000}$$

(B) Surcharge for excessive concentrations for wastewater metered separately:

Payment rate per 1,000 gallons:

$$\frac{\$2.68463 [2.59206](\text{BOD} - 250)}{1,000} + \frac{\$1.66633 [1.57376](\text{SS} - 250)}{1,000}$$

BOD = Average concentrations of BOD in mg/l, determined from sampling the waste as described in Section 49-52

SS = Average concentrations of suspended solids in mg/l, as determined from sampling the waste as described in Section 49-52

(2) The rate for each user may be calculated once every 12 months."

SECTION 9. That, unless specifically provided otherwise by this ordinance or by state law, a person violating a provision of this ordinance governing fire safety, zoning, or public health and sanitation, including dumping of refuse, is, upon conviction, punishable by a fine not to exceed \$2,000 and that a person violating any other provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.

SECTION 10. That CHAPTER 49 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance.

SECTION 11. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of CHAPTER 1 of the Dallas City Code, as amended.

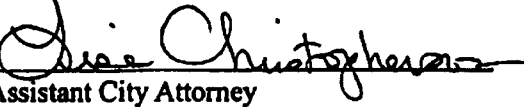
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SECTION 12. That this ordinance will take effect on October 1, 2013, and it is
accordingly so ordained.

APPROVED AS TO FORM:

WARREN M. S. ERNST, Interim City Attorney

By 
Assistant City Attorney

Passed SEP 18 2013

LC/DCC/00546A



RECEIVED

FEB 09 2015
B6
CITY MANAGER'S OFFICE

February 5, 2015

CERTIFIED MAIL 7012 1640 0001 2084 0565

Mr. Bruce Glasscock
City Manager
City of Plano
P.O. Box 860358
Plano, TX 75086-0358

Dear Mr. Glasscock:

Enclosed for your information is a copy of the City of Dallas's Ordinance No. 29479 which adjusted Dallas's wholesale water and wastewater rates, effective October 1, 2014. The Ordinance was passed by the Dallas City Council on September 17, 2014. Please note that no revisions were made to the wholesale rates as proposed and provided to your entity in July 2014.

Dallas Water Utilities (DWU) will continue to perform annual cost of service studies to review the adequacy of rates. Because some of Dallas's wholesale contracts require notification well in advance of wholesale rate revisions, please consider this letter as Dallas's notice of intent to adjust rates on or about October 1, 2015 to cover the cost of providing water and wastewater services. The amount of the rate revision (if any) will be determined during the upcoming wholesale cost of service study process and based on the input of Dallas's wholesale customers.

We will keep you informed regarding the cost of service study progress. Should you require additional information, please contact Jacqueline Culton, Program Manager, Wholesale Services Division, at 214-670-5243.

Sincerely,


Terry Lowery
Assistant Director

Enclosures

c: Jacqueline Culton, Program Manager, Dallas Water Utilities
Gerald Cosgrove, Director of Public works, City of Plano

Our Vision: To be an efficient provider of superior water and wastewater service and a leader in the water industry.

Wholesale Services • 1500 Marilla, Room 4AS, Dallas, Texas 75201
Telephone: (214) 670-5888 • Fax: (214) 670-3154

1-41574

9/17/2014

ORDINANCE NO. 29479

An ordinance amending Sections 49-18.1, 49-18.2, 49-18.4, 49-18.5, 49-18.9, and 49-18.12 of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended; adjusting rates and charges for treated water service, wastewater service, wholesale water and wastewater service to governmental entities, untreated water service, fire hydrant usage, and industrial surcharges for excessive concentrations; providing a penalty not to exceed \$2,000; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Subsection (c), "Rate Tables," of Section 49-18.1, "Rates for Treated Water Service," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(c) Rate tables. The director shall charge customers for treated water service in accordance with the following tables:

(1) Water Service Customer Charges.

<u>METER SIZE</u>	<u>RATE PER METER</u>
5/8-inch meter	<u>\$4.85</u> [4.65]
3/4-inch meter	<u>6.70</u> [6.45]
1-inch meter	<u>9.74</u> [9.38]
1-1/2-inch meter	<u>18.13</u> [17.47]
2-inch meter	<u>29.50</u> [27.26]
3-inch meter	<u>69.09</u> [66.56]
4-inch meter	<u>114.79</u> [110.59]
6-inch meter	<u>227.94</u> [219.60]
8-inch meter	<u>378.85</u> [364.98]
10-inch meter or larger	<u>582.59</u> [561.26]

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(2) Usage Charge - Rate Per 1,000 Gallons.

TYPE OF USAGE

(A) Residential:

(i)	Up to 4,000 gallons	\$1.80
(ii)	4,001 to 10,000 gallons	<u>3.91</u> [3.77]
(iii)	10,001 to 15,000 gallons	<u>5.50</u> [5.20]
(iv)	Above 15,000 gallons	<u>7.63</u> [7.09]

(B) General service:

(i)	Up to 10,000 gallons	<u>3.05</u> [2.70]
(ii)	Above 10,000 gallons	<u>3.45</u> [3.30]
(iii)	Above 10,000 gallons and 1.4 times annual average monthly usage	<u>5.00</u> [4.65]"

SECTION 2. That Paragraph (1) of Subsection (f), "Election for Certain General Water Service Customers," of Section 49-18.1, "Rates for Treated Water Service," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(1) The customer must agree to pay each year:

- (A) the monthly customer charge provided in Subsection (c);
- (B) \$2,025.00 [1,945.98] per month as a usage charge on the first 1,000,000 gallons used in a billing period; and
- (C) \$2.75 [2.55] per 1,000 gallons used in excess of 1,000,000 gallons per month."

SECTION 3. That Subsection (g), "Adjusted Rates for Hidden Water Leaks," of Section 49-18.1, "Rates for Treated Water Service," of Article II, "Rates, Charges and Collections," of

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Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(g) Adjusted rates for hidden water leaks. When a customer experiences a substantial increase in water or wastewater usage from a hidden water leak and the customer meets the requirements of Section 49-9(e), the director will adjust the account and bill the customer:

- (1) an estimated amount of normal water usage for the period at the regular rate;
- (2) the excess water usage caused by the hidden leak at the following applicable rate:

<u>TYPE OF USAGE</u>	<u>RATE PER 1,000 GALLONS</u>
(A) Residential	\$1.80
(B) General service	<u>3.05</u> [2.70]
(C) Optional general service	<u>2.75</u> [2.55]
(D) Municipal service	<u>2.35</u> [2.25]

and

- (3) the applicable wastewater rate prescribed in Section 49-18.2(c), based on an adjustment of wastewater volume to estimated normal volume, where adjustment is appropriate."

SECTION 4. That Subsection (i), "Rates for Municipal Purpose Water Service," of Section 49-18.1, "Rates for Treated Water Service," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(i) Rates for municipal purpose water service. Water service to property owned by the city of Dallas that is used solely for municipal purposes may be charged \$2.35 [~~2.25~~] per 1,000 gallons of water used."

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SECTION 5. That Subsection (c), "Rate Tables," of Section 49-18.2, "Rates for Wastewater Service," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(c) Rate tables. The director shall charge a customer for wastewater service in accordance with the following tables:

Wastewater Service Charges.

(1) Monthly customer charges

METER SIZE

RATE PER METER

5/8-inch meter	<u>\$4.45</u> [4.40]
3/4-inch meter	<u>6.00</u> [5.90]
1-inch meter	<u>8.75</u> [8.53]
1-1/2-inch meter	<u>16.60</u> [16.04]
2-inch meter	<u>26.15</u> [25.82]
3-inch meter	<u>63.79</u> [61.45]
4-inch meter	<u>103.90</u> [100.10]
6-inch meter	<u>206.50</u> [201.31]
8-inch meter	<u>340.15</u> [332.91]
10-inch meter or larger	<u>525.50</u> [507.07]

(2) Monthly residential usage charge \$4.95 [4.90] per 1,000 gallons of the average water consumption billed in the months of December, January, February, and March, or of the actual Month's water consumption, whichever is less, up to a maximum charge of 40,000 gallons per month

(3) Monthly general service usage charge \$3.70 [3.47] per 1,000 gallons of water used

(4) Monthly usage charge for Section 49-18.1(f) customer \$3.38 [3.22] per 1,000 gallons of water used

(5) Monthly general service usage charge for wastewater separately metered \$3.50 [3.40] per 1,000 gallons of wastewater discharged

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- | | | |
|-----|---|---|
| (6) | Monthly surcharge for excessive concentrations of waste | An amount calculated in accordance with Sections 49-18.12, 49-48 and 49-49 of this chapter |
| (7) | Monthly surcharge for excessive concentrations of waste for wastewater separately metered | An amount calculated in accordance with Sections 49-18.12, 49-48 and 49-49 of this chapter" |

SECTION 6. That Subsection (b), "Table Rates," of Section 49-18.4, "Rates for Wholesale Water and Wastewater Service to Governmental Entities," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(b) Rate table. The director shall charge a governmental entity for wholesale water service in accordance with the following:

(1) The volume charge for treated water is \$0.3382 [~~0.3673~~] per 1,000 gallons of water used, and the annual water year demand charge is \$223.308 [~~208.941~~] per each mgd, as established by the highest rate of flow controller setting.

(2) If a flat rate charge for treated water is provided by contract, or in the absence of a rate of flow controller, the charge is \$1.7339 [~~1.6732~~] per 1,000 gallons of treated water used.

(3) A monthly readiness-to-serve charge will be assessed for any standby service point. The monthly fee, based on size of connection, is as follows:

<u>Size of Connection</u>	<u>Monthly Standby Fee</u>
3-inch	<u>\$69.09</u> [66.56]
4-inch	<u>114.79</u> [110.59]
6-inch	<u>227.94</u> [219.60]
8-inch	<u>378.85</u> [364.98]
10-inch or larger	<u>582.59</u> [561.26]

(4) The rate for regular untreated water service to a governmental entity is \$0.5613 [~~0.5355~~] per 1,000 gallons of untreated water used. The rate for interruptible untreated water service to a governmental entity is \$0.2451 [~~0.2430~~] per 1,000 gallons of untreated water used."

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SECTION 7. That Subsection (e), Wholesale Wastewater Rates," of Section 49-18.4, "Rates for Wholesale Water and Wastewater Service to Governmental Entities," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(e) Wholesale wastewater rates. The director may provide wholesale wastewater service to other governmental entities by contract, in accordance with the following rules:

(1) The monthly rate for wholesale wastewater service is \$2,3031 [~~2,3326~~] per 1,000 gallons of wastewater discharged. The director is authorized to compensate those governmental entities located within the boundaries of the city for the city's use of integrated facilities owned by those governmental entities.

(2) An infiltration and inflow adjustment factor of 13.2 [~~10.9~~] percent will be added to the average water consumption for the months of December, January, February, and March to determine billable volume for a governmental entity with unmetered wholesale wastewater service.

(3) If the BOD or suspended solids concentration of waste discharged exceeds 250 mg/L, the governmental entity must pay a surcharge calculated in accordance with Section 49-18.12(1)(A) or (B), whichever applies."

SECTION 8. That Subsection (f), Treatment of Water Owned By Another Governmental Entity," of Section 49-18.4, "Rates for Wholesale Water and Wastewater Service to Governmental Entities," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

"(f) Treatment of water owned by another governmental entity. The director may provide treatment services at the Elm Fork water treatment plant to water owned by another governmental entity in accordance with a written contract. The volume charge for treating water owned by another governmental entity is \$0.2982 [~~0.2840~~] per 1,000 gallons of water treated, and the annual water year demand charge is \$38,177 [~~38,991~~] per each mgd, as established by the maximum demand capacity set forth in the contract."

SECTION 9. That Subsection (a), "Regular Rate," of Section 49-18.5, "Rate for Untreated Water," of Article II, "Rates, Charges and Collections," of Chapter 49, "Water and Wastewater," of the Dallas City Code, as amended, is amended to read as follows:

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“(a) Regular rate. The charge for untreated water is \$0.5613 [~~0.5355~~] per 1,000 gallons of water used.”

SECTION 10. That Subsection (b), “Interruptible Rate,” of Section 49-18.5, “Rate for Untreated Water,” of Article II, “Rates, Charges and Collections,” of Chapter 49, “Water and Wastewater,” of the Dallas City Code, as amended, is amended to read as follows:

“(b) Interruptible rate. The charge for interruptible service is \$0.2451 [~~0.2430~~] per 1,000 gallons of water used.”

SECTION 11. That Section 49-18.9, “Charges for Use of Fire Hydrants,” of Article II, “Rates, Charges and Collections,” of Chapter 49, “Water and Wastewater,” of the Dallas City Code, as amended, is amended to read as follows:

“SEC. 49-18.9. CHARGES FOR USE OF FIRE HYDRANTS.

A person requesting use of water from a fire hydrant pursuant to Section 49-27 shall pay the following application charges:

(1) a deposit of \$1,500 to be refunded when the service is discontinued and the meter is returned to the city by the person or the person’s authorized representative, less any unpaid fees for services and any costs to repair damage in excess of normal wear;

(2) a monthly fire hydrant service charge of \$69.09 [~~66.56~~]; and

(3) a usage charge for water that will be billed at the general service rate prescribed in Section 49-18.1(c)(2)(B).”

SECTION 12. That Section 49-18.12, “Industrial Surcharge Rate Formula for Excessive Concentrations,” of Article II, “Rates, Charges and Collections,” of Chapter 49, “Water and Wastewater,” of the Dallas City Code, as amended, is amended to read as follows:

“SEC. 49-18.12. INDUSTRIAL SURCHARGE RATE FORMULA FOR EXCESSIVE CONCENTRATIONS.

Surcharge rate formula. The person responsible for industrial waste discharge in excessive concentrations of BOD and suspended solids shall pay an industrial surcharge in addition to regular water and wastewater rates, either under Section 49-49 or in accordance with the following cost factors and formula:

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(1) The user's cost factors for excessive industrial waste are based on the capital and operating cost of wastewater facilities to provide treatment for the reduction of BOD and suspended solids. The formula is:

(A) Surcharge for excessive concentrations:

Payment rate per 1,000 gallons:

$$\frac{\$2.33520 [2.41860](\text{BOD} - 250)}{1,000} + \frac{\$1.41780 [1.50120](\text{SS} - 250)}{1,000}$$

(B) Surcharge for excessive concentrations for wastewater metered separately:

Payment rate per 1,000 gallons:

$$\frac{\$2.59206 [2.68463](\text{BOD} - 250)}{1,000} + \frac{\$1.57376 [1.66633](\text{SS} - 250)}{1,000}$$

BOD = Average concentrations of BOD in mg/l, determined from sampling the waste as described in Section 49-52

SS = Average concentrations of suspended solids in mg/l, as determined from sampling the waste as described in Section 49-52

(2) The rate for each user may be calculated once every 12 months."

SECTION 13. That, unless specifically provided otherwise by this ordinance or by state law, a person violating a provision of this ordinance governing fire safety, zoning, or public health and sanitation, including dumping of refuse, is, upon conviction, punishable by a fine not to exceed \$2,000 and that a person violating any other provision of this ordinance is, upon conviction, punishable by a fine not to exceed \$500.

SECTION 14. That Chapter 49 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance.

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SECTION 15. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 16. That this ordinance will take effect on October 1, 2014, and it is accordingly so ordained.

APPROVED AS TO FORM:

WARREN M. S. ERNST, City Attorney

By *Eileen Jones*
Assistant City Attorney

Passed SEP 17 2014

141574



PROOF OF PUBLICATION – LEGAL ADVERTISING

The legal advertisement required for the noted ordinance was published in the Dallas Morning News, the official newspaper of the city, as required by law, and the Dallas City Charter, Chapter XVIII, Section 7.

DATE ADOPTED BY CITY COUNCIL SEP 17 2014

ORDINANCE NUMBER 29479

DATE PUBLISHED SEP 20 2014

ATTESTED BY:

A handwritten signature in cursive script, appearing to read "Rose G. Linn".

COST STUDY

WHOLESALE TREATED WATER



City of Dallas

Dallas Water Utilities

June 2016

SUMMARY

This cost study has been prepared in accordance with the terms of the Water Rate Agreement. The following is a summary of the major findings of the study. The findings correspond to the test period chosen for the study, Fiscal Year 2014-2015 adjusted for known changes.

Dallas Water Utilities (DWU) is an enterprise department within the City of Dallas.

Dallas Water Utilities operates a water and wastewater utility system providing both retail (Dallas) and wholesale (Customer Cities) water and wastewater service.

This study concerns only the cost of water service (excludes wastewater) with emphasis on cost of treated water service.

"Test period" for the Cost Study is the Fiscal Year 2014-2015 (12 months ended September 30) adjusted for known changes, such as salary adjustments, power rate changes, additional investment in facilities, etc.

Embedded interest rate is 3.05% for the test period water obligations.

Authorized rate of return is 4.55% (embedded interest rate of 3.05% + 1.5%).

Customer Cities test period average day use is 34.9% of the total system water use.

Customer Cities portion of the system maximum day demand is 32.9%.

Customer Cities portion of the system maximum hour demand is 29.13%.

Reservoir safe yield for the total system is 604.5 MGD (as determined in the Update - Long Range Water Supply Plan for the City of Dallas, Chiang, Patel & Yerby, 2005).

Customer Cities reservoir storage for establishing reservoir costs is 39.03% (214.2 MGD) of the reservoir storage allocated to treated water customers.

Customer Cities test period use of reservoir storage is 132.1 MGD.

Wholesale treated water test period operation and maintenance expense is \$44,789,000.

Wholesale treated water test period depreciation expense is \$9,539,000.

Wholesale treated water test period rate base is \$482,202,000.

Cost of service for the Customer Cities during the test period is \$76,239,000.