



Control Number: 48934



Item Number: 546

Addendum StartPage: 0

48934

RECEIVED

May 28, 2019

**Public Utilities Commission of Texas**  
**Attn: Filing Clerk, Central Records**  
**1701 N Congress Avenue**  
**PO Box 13326**  
**Austin, TX 78711-3326**

2019 MAY 31 AM 10:12

PUBLIC UTILITY COMMISSION  
FILING CLERK

**Re: Application for Approval to Waive Submeter Requirement and Permit  
Allocated Billing for Palladium Denton**

To Whom It May Concern:

Please accept this letter and supplemental information as application for approval from the Public Utility Commission of Texas ("Commission") to waive the submeter requirement for purposes of water quantity measurement for Palladium Denton, located at 1255 Poinsettia Blvd, Denton, Texas 76208 ("the Property"), and permit allocated billing pursuant to P.U.C. SUBST. R. 24.123(d). The rule requires that a property owner obtain written approval from the Commission in order to switch from a submetered water/sewer billing method to an approved allocation method. Further, the owner must follow all rental agreement requirements under the rules and demonstrate good cause to switch methods, including equipment failures, meter reading, or billing problems that cannot feasibly be corrected (P.U.C. SUBST. R. 24.123(d)(1)(2)).

While the Property is about to complete construction, the installation of submeters continues to remain cost-prohibitive as the Property is comprised of mostly rent-controlled Class A+ housing (representing 93 units), with the remainder as market-rate units (57 units). The rent-controlled units will not be permitted to be billed water/sewer utility costs pursuant to the community housing plan and utility allowances established for the Property. (See Exhibit A). This permits only 57 units (market-rate) to be billed for water-sewer utility costs. The cost to install submeters at this Property would be approximately \$18,150.00 based on the attached Proposal, Exhibit B, and unfortunately such financial commitment is not feasible for the Property at this time, nor over a period of time due to the setup of the Property. In order to bill the 57 market-rate units for their full water/sewer consumption, our best option is to switch to an allocation method based upon the 50/50 square footage and occupancy count methodology. This will also seek to support our mission of providing affordable housing to our community. As such, we are seeking Commission approval to allocate water/sewer charges in this manner.

Should the Commission approve the switch in billing methodology from the submetered method requirement to an allocation method for the Property, all required residential notices and lease documentation will be provided to the residents at least 35 days prior to implementation as required. Our third party billing provider will implement a common area deduction based on the Property's common area characteristics in accordance with the rules. Upon receipt of approval, we will then file a revised registration form with the Commission reflecting the allocation method and common area deduction.

546

We hope the Commission finds the information provided herein helpful in demonstrating good cause to switch permitted billing methods. We are confident that the market-rate residents of our community will be able to maintain greater control over their level of water/sewer charges through this approval rather than costs being included in their rent. Should the Commission have any further questions or concerns, please contact me at your earliest convenience. We appreciate the Commission's time and effort in looking into this matter and look forward to receipt of a response.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Fred D'Lizarraga', with a long horizontal line extending to the right.

Fred D'Lizarraga  
Senior Vice President – COO  
Palladium USA  
Omnium Management Company  
13455 Noel Road Suite 400  
Dallas, Texas 75240

EX A



## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

[www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

Greg Abbott  
GOVERNOR

**BOARD MEMBERS**  
J.B. Goodwin, *Chair*  
Leslie Bingham-Escareño, *Vice Chair*  
Paul A. Braden, *Member*  
Asucena Reséndiz, *Member*  
Sharon Thomason, *Member*  
Leo Vasquez, *Member*

December 7, 2018

Writer's direct phone # (512) 475-3821  
Email: [cara.pollei@tdhca.state.tx.us](mailto:cara.pollei@tdhca.state.tx.us)

Thomas Huth  
Palladium Denton, Ltd.  
Dallas, TX  
[tom@palladiumusa.com](mailto:tom@palladiumusa.com)

RE: Palladium Denton

CMTS ID: 5303

Dear Mr. Huth:

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on October 1, 2018, for Palladium Denton to calculate the utility allowance using the HUD Utility Schedule Model method described in 10TAC §10.614(c)(3)(C) for the commencement of leasing activities. Your request is hereby granted is based on the following representations:

1. That the buildings are not HUD-Regulated;
2. That the building(s) are not RHS assisted or have RHS assisted tenants;
3. That the residents are financially responsible for electricity and that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and,
4. That the only building type is Apartments (5+ units).


Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance.

Please see attached utility allowance schedule dated December 7, 2018. It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next onsite monitoring review and, failure to implement timely, will result in noncompliance.

Please be advised that the utility allowance must be reviewed at least once a calendar year. 10TAC§10.614(g) outlines requirements for annual review. If the owner wishes to switch the methodology used to calculate the utility allowance, prior approval from the Department is required.

If you have questions about this review, please contact Cara Pollei at (512) 475-3821 or via email: [cara.pollei@tdhca.state.tx.us](mailto:cara.pollei@tdhca.state.tx.us).

Sincerely,

  
Digitally signed  
by Cara Pollei  
Date:  
2018.12.07  
13:27:46 -06'00'

Cara Pollei  
Compliance Monitor



**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Locality		Green Discount		Unit Type		Date (mm/dd/yyyy)	
Palladium Denton		None		Larger Apartment Bldgs. (5+ units)		12/7/2018	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas						
	Bottled Gas						
	Electric Resistance	\$10.67	\$11.58	\$13.23	\$14.89	\$16.54	\$18.19
	Electric Heat Pump						
	Fuel Oil						
Cooking	Natural Gas						
	Bottled Gas						
	Electric	\$2.22	\$2.61	\$3.78	\$4.94	\$6.11	\$7.27
	Other						
Other Electric		\$8.37	\$9.85	\$13.70	\$17.56	\$21.41	\$25.26
Air Conditioning		\$5.43	\$6.39	\$8.86	\$11.33	\$13.80	\$16.27
Water Heating	Natural Gas						
	Bottled Gas						
	Electric	\$5.17	\$6.09	\$7.77	\$9.45	\$11.13	\$12.81
	Fuel Oil						
Water							
Sewer							
Trash Collection							
Range/Microwave							
Refrigerator							
Other - specify							
Total		\$31.87	\$36.52	\$47.34	\$58.16	\$68.99	\$79.81
Total Allowance (Rounded Up)		\$32.00	\$37.00	\$48.00	\$59.00	\$69.00	\$80.00



*All that counts.*

*EXB*

## **Minol Installation Proposal – New Construction- (TX) Water Submetering**

The following represents our proposed scope of work for Palladium Denton, located in Denton, TX:

### **Minol Responsibilities:**

- Furnish 150 3/4" Minomess 130 Poly water meters for a Full Capture application, for installation by Minol Technician.
- Furnish/Install the AMR Network – consisting of 1 Data Collector, 4 Repeaters and 150 Wireless Transmitters.
- Furnish 150 Idler Tubes and 300 Meter Couplings, for installation by client's preferred plumbing subcontractor.
- Programming and Installation of all the data collection system components, including connecting and mounting transmitters to the meters, repeaters, and the data collector.
- All testing and troubleshooting to insure system integrity.
- Inventory report listing unit number, tenant space, and corresponding equipment serial numbers.
- Coordination of system specifications and requirements with Project Management and other subcontractors.
- *Note: Installation of meters is to take place once lines have been properly flushed of any debris that could damage the meter and fixture(s) are in place to drain the water from the line.*

### **Client/Owner Responsibilities:**

- Provide designated interior space for meters. Please see specification sheets for dimensional details. If meters are to be installed in ceilings, they must be located directly above access panels and with a minimum of 16" x 16" opening for access.
- Provide secure and environmentally controlled location and adequate space to install the data collector (*typically located in a manager's office, or mechanical/phone room*).
- Provide an Internet connection via Ethernet port for the data collector. Monthly connection charges related to communication are the responsibility of the Client.
- Provide a complete and accurate listing of unit and building numbers – this is necessary for the programming of transmitters and identification of all meters and transmitters to specific units.
- Provide a building turn schedule and a minimum of 2 weeks lead time for scheduling Minol technician onsite for installation.
- Licensing, fees, permits, and any state assessed inspection fees (initial and/or reoccurring) are the responsibility of the Client/Owner.

### **The Plumber will Provide/Install: (Client's preferred Plumbing Subcontractor)**

- A plumbing loop with sufficient length, clearance and support to accommodate the meter and couplings installation in a horizontal orientation. See attached specifications.
- Transition fittings for connecting the threaded meter couplings to the piping.
- Installation of the Idler tubes and meter couplings (supplied by Minol, Inc.) in the plumbing loop – Absolutely no pipe dope or plumbing tape is to be used on the threaded ends of meter couplings and tubes during installation – must allow at least 4" of clearance around the tube and couplings – must not allow the tube and couplings to rest on top of the water heater for support.
- Installation of a cutoff valve on the supply side of each meter allowing shut-off of water prior to installation of meter.
- ***Note: If project is located in Massachusetts, the plumber must agree to complete and provide the Massachusetts Submetering Certification Form, which is required to commence billing residents.***

### **The Electrician will Provide/Install: (Client's preferred Electrical Subcontractor)**

- Installation of an Ethernet port and 120v dedicated outlet for the data collector within six (6) feet of the location designated for the data collector.
- A 120-VAC dedicated outlet for each Repeater located in the attic/breezeway access where Minol has advised repeaters are to be located.

### **Project/Contract Specified Exclusions:**

- Cost for and securing of permits or bonds.
- Cost/Setup/Oversight of Inspections.
- Minol personnel will only attend site meetings when working on site.
- As built drawings.
- Joint Check Agreements.
- Material or labor associated with Plenum wrapping of meters/transmitters due to Mechanical Inspector or Authority interpretation.
- Provide/install access panels for concealed work, mounting brackets, anchoring devices, guards, sleeves, transition fittings.
- Removal and draining of hot water tank and/or removal of washer/dryer to access meter location.
- Installation of Back Flow Preventers, if applicable.



*All that counts.*

**Price:**

Submetering and System Installation for the property named Palladium Denton:

**\$121.00\* per unit for 150 units for a total cost of \$18,150.00\***  
**(Contract Amount includes State Use Tax)**

The pricing quoted above is in effect for 30 days. The pricing includes only items listed above and may be subject to modification following a site visit and installation consultation by a Minol representative. The pricing excludes applicable sales tax, permit and licensing fees, and any additional fees not itemized above. Upon presentment of a valid resale certificate from the general contractor, or a valid tax exemption certificate if contracting with the property owner, Minol will waive any applicable sales or use tax on the contract price. All prior negotiations or discussions involving pricing proposals are null and void. Minol reserves the right to amend, modify, or withdraw this proposal at any time, without notice, prior to acceptance by Client. If Client requires use of its own contract, any timeline requirements for contract execution requested by the Client will not be acceptable or adhered to by Minol.

Accepted by:

\_\_\_\_\_  
Client/Agent for Client

\_\_\_\_\_  
Minol

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**About Minol**

Founded in 1952, Minol is the third largest Metering, Billing, Conservation and Energy Management provider with 2,500 employees and 32 offices worldwide. We are a privately held, family-owned company with a 60-year history of innovative metering technologies and consumption based billing of gas, electric, water and heating costs. As the third largest utility billing provider, our global team produces more than 5.4 million bills annually for 30,000 clients.

We operate in all major markets providing services for more than 300,000 in the multifamily and military markets, as well as commercial properties and government agencies.

We are proud to have achieved positive, strategic growth throughout our history. By partnering with Minol, you can be confident that you are our priority. We will constantly strive to maximize the value of your investment by continually identifying improvements and developing new opportunities that enhance your investment.



## Registration of Submetered OR Allocated Utility Service

NOTE: Please **DO NOT** include any person or protected information on this form (ex: tax identification #'s, social security #'s, etc.)

Date: \_\_\_\_\_  
By: \_\_\_\_\_  
Docket No. \_\_\_\_\_  
(this number to be assigned by the  
PUC after your form is filed)

**PROPERTY OWNER:** Do not enter the name of the owner's contract manager, management company, or billing company.

Name Palladium Denton, LTD.

Mailing Address: 13455 Noel Rd., #400 City Dallas State TX Zip 75240

Telephone # (972) 774-4436 Fax # (if applicable) ( ) E-mail fredd@palladiumusa.com

### NAME, ADDRESS, AND TYPE OF PROPERTY WHERE UTILITY SERVICE IS PROVIDED

Name Palladium Denton

Mailing Address: 1255 Poinsettia Boulevard City Denton State TX Zip 76208

Telephone # (409) 535-1255 Fax # (if applicable) ( ) E-mail manager@palladiumdenton.com

☒ Apartment Complex ☐ Condominium ☐ Manufactured Home Rental Community ☐ Multiple-Use Facility

If applicable, describe the "multiple-use facility" here:

### INFORMATION ON UTILITY SERVICE

Tenants are billed for ☒ Water ☒ Wastewater ☐ Submetered **OR** ☒ Allocated ★★ ★

Name of utility providing water/wastewater City of Denton

Date submetered or allocated billing begins (or began) 05/23/2019 Required

### METHOD USED TO OFFSET CHARGES FOR COMMON AREAS Check one line only.

☐ Not applicable, because ☐ Bills are based on the tenant's actual submetered consumption

☐ There are neither common areas nor an installed irrigation system

☐ All common areas and the irrigation system(s) are metered or submetered:

We deduct the actual utility charges for water and wastewater to these areas then allocate the remaining charges among our tenants.

☐ This property has an installed irrigation system that is not separately metered or submetered:

We deduct  percent (we deduct at least 25 percent) of the utility's total charges for water and wastewater consumption, then allocate the remaining charges among our tenants.

☒ This property has an installed irrigation system(s) that is/are separately metered or submetered:

We deduct the actual utility charges associated with the irrigation system(s), then deduct at least 5 percent of the utility's total charges for water and wastewater consumption, then allocate the remaining charges among our tenants.

☐ This property does not have an installed irrigation system:

We deduct at least 5 percent of the retail public utility's total charges for water and wastewater consumption, and then allocate the remaining charges among our tenants.

★★★IF UTILITY SERVICES ARE ALLOCATED, YOU MUST ALSO COMPLETE PAGE TWO OF THIS FORM ★★★

Send this form by mail to:

Filing Clerk, Public Utility Commission of Texas  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326



## METHOD USED TO ALLOCATE UTILITY CHARGES

Check the box or boxes that describe the allocation method used to bill tenants.

<input checked="" type="checkbox"/>	<b>Occupancy method:</b> The number of occupants in the tenant's dwelling unit is divided by the total number of occupants in all dwelling units at the beginning of the month for which bills are being rendered.
-------------------------------------	--

<input type="checkbox"/> <b>Ratio occupancy method:</b>  The number of occupants in the tenant's dwelling unit is adjusted as shown in the table to the right. This adjusted value is divided by the total of these values for all dwelling units occupied at the beginning of the retail public utility's billing period.	<b>Number of Occupants</b>	<b>Number of Occupants for Billing Purposes</b>
	1	1.0
	2	1.6
	3	2.2
	>3	2.2 + 0.4 for each additional occupant

<input type="checkbox"/> <b>Estimated occupancy method:</b>  The estimated occupancy for each unit is based on the number of bedrooms as shown in the table to the right. The estimated occupancy in the tenant's dwelling unit is divided by the total estimated occupancy in all dwelling units regardless of the actual number of occupants or occupied units.	<b>Number of Bedrooms</b>	<b>Number of Occupants for Billing Purposes</b>
	0 (Efficiency)	1
	1	1.6
	2	2.8
	3	4.0
	>3	4.0 + 1.2 for each additional bedroom

<input checked="" type="checkbox"/>	<b>Occupancy and size of rental unit</b>	<input type="text" value="50"/>	percent (in which no more than 50%) of the utility bill for water/wastewater consumption is allocated using the occupancy method checked above. The remainder is allocated according to either: <ul style="list-style-type: none"> <li>• the size of the tenant's dwelling unit divided by the total size of all dwelling units, OR</li> <li>• the size of the space rented by the tenant of a manufactured home divided by the size of all rental spaces.</li> </ul>
-------------------------------------	--	---------------------------------	---

<input type="checkbox"/>	<b>Submetered hot water:</b> The individually submetered hot water used in the tenant's dwelling unit is divided by all submetered hot water used in all dwelling units.
--------------------------	---

<input type="checkbox"/>	<b>Submetered cold water is used to allocate charges for hot water provided through a central system:</b> The individually submetered cold water used in the tenant's dwelling unit is divided by all submetered cold water used in all dwelling units.
--------------------------	--

<input type="checkbox"/>	<b>As outlined in the condominium contract. Describe:</b> <div style="height: 30px; border: 1px solid black;"></div>
--------------------------	---

<input type="checkbox"/>	<b>Size of manufactured home rental space:</b> The size of the area rented by the tenant divided by the total area of all the size of rental spaces.
<input type="checkbox"/>	<b>Size of the rented space in a multi-use facility:</b> The square footage of the space rented by the tenant divided by the total square footage of all rental spaces.