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Addendum StartPage: 0

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document has been served on all parties of record on this 17th day of June, 2019, in accordance with 16 Tex. Admin. Code § 22.74.

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/s/ Scott Smyth
Scott Smyth

REQUEST FOR INFORMATION STAFF 3-1:

Staff 3-1. Provide any and all rate studies for the past 5 years, including methodologies, best practice references, and calculations, and assumptions used to support the rate changes subject to this appeal. [AS MODIFIED BY AGREEMENT]

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION STAFF 3-2:

Staff 3-2. Please provide any and all rate studies showing the calculations for costs allocated between the inside city and outside city customers receiving water and/or sewer service that the City has in its possession or that was prepared by or prepared at the direction of the City. [AS MODIFIED BY AGREEMENT]

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION STAFF 3-3:

Staff 3-3. Please provide any all documents showing the cost of service for water and waste water service provided by the City to inside city and outside city customers for the past 5 years. [AS MODIFIED BY AGREEMENT]

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION 3-4:

Staff 3-4. Provide all documentation and information for the last 5 years used by the City to set the rates which went into effect January 01, 2019 and March 19, 2019 subject to this appeal. [AS MODIFIED BY AGREEMENT]

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION 3-9:

Staff 3-9. Please explain in detail what entity installed and paid for the infrastructure to provide water and wastewater service to the out of city customers and provide all agreements for the past 5 years made with any entities that shared in payment for such infrastructure. [AS MODIFIED BY AGREEMENT]

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION 3-10:

Staff 3-10. Please provide the source(s) and amounts of funding used to install infrastructure used by the City to provide water and sewer service to the outside city customers.

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION 3-13:

Staff 3-13. Please provide the revenue requirement including detailed expenses used to set the rates and supporting financial statements or budget used to determine the revenue requirement.

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

REQUEST FOR INFORMATION 3-15:

Staff 3-15. Please provide any explanation between the historical financial statements and/or the budget used and the revenue requirement used to set the rates subject to this appeal.

RESPONSE:

See attached Supplemental Response.

Sponsor: Mellissa Brunger

DRAFT TECHNICAL MEMORANDUM



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www.freeze.com

TO: Jason Laumer, P.E., City of Celina
CC: Patrick Lindner, Davidson Troilo Ream & Garza
FROM: Melissa Brunger, P.E., Freeze and Nichols, Inc.
SUBJECT: Celina Water and Wastewater System Summary
DATE: June 16, 2020
PROJECT: FNI Project Number: DTG20431

DRAFT

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF MELISSA BRUNGER, P.E., TEXAS NO. 106372 ON June 16, 2020. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES. FREESE AND NICHOLS, INC. TEXAS REGISTERED ENGINEERING FIRM F- 2144

A petition by outside city ratepayers appealing the water and wastewater rates established by the City of Celina was filed in 2019. Freeze and Nichols, Inc. (FNI) was engaged to provide expert witness testimony for the City of Celina. The purpose of this technical memorandum is to document the City of Celina water and wastewater systems as well as recent and proposed growth within the City of Celina water and wastewater service area. In addition, this technical memorandum documents feedback on a portion of Mr. Kevin Carlson's direct testimony provided on May 26, 2020 as the Petitioners' Exhibit 7. **Attachment A** includes Melissa Brunger's resume summarizing qualifications to provide input on this subject. FNI is currently performing an update to the City of Celina's Water Wastewater Master Plan and is intimately familiar with the City's water and wastewater system, having performed infrastructure planning studies and utility design.

1.0 Recent Development

Table 1 displays population growth for the City of Celina over the last three years; the City experienced unprecedented growth with an average annual growth rate of 28%. **Figure 1** displays recent and short-term projected developments color coded by whether they are within or outside the Celina city limits. The developments shown in blue represent developments within the Celina city limits, and developments shown in green represent developments outside the current Celina city limits. This map indicates that the City's water and wastewater service area, which extends beyond the current city limits, is experiencing significant levels of growth both inside and outside the city limits; this rapid growth necessitates implementation of aggressive water and wastewater capital improvement plans.

Table 1: City of Celina Historical Population (2018-2020)

Year	Population ⁽¹⁾	Annual Growth Rate
2018	13,090	27%
2019	17,680	35%
2020	21,430	21%
Average	-	28%

⁽¹⁾ Population data is based on North Central Texas Council of Governments (NCTCOG) data and includes population within the city limits.

2.0 Water System Review

Figure 2 displays the existing water system for reference. Celina's entire water distribution system is supplied by the Upper Trinity Regional Water District (UTRWD) through the Celina Road Ground Storage Tank and Pump Station and parallel 36-inch and 18-inch treated water lines. The water system is a unified system with all components being used and useful to the system. The City of Celina's water distribution system consists of 186 miles of water lines ranging from 1-inch to 36-inch in diameter that are connected and operate as a large interdependent system. Pressure within the distribution system is maintained by the Light Farms Elevated Storage Tank and Coit Road Elevated Storage Tank. Approximately half of the City of Celina relies on the Light Farms Elevated Storage Tank (EST) for pressure maintenance and fire protection; many interconnected water lines connect the Light Farms EST to the rest of the water distribution system to provide an appropriate level of service and resilient water system. The Light Farms development is not unique in terms of location or water system service compared to other water system customers. In addition, the Light Farms development area is a critical part of Celina's overall water system and was never intended to operate as a stand-alone system. There are many issues with Light Farms becoming an independent water system, including stranded assets and redesign of the water system layout for the City of Celina and substantial cost for Light Farms to become a wholesale customer of UTRWD and construct ground storage and pumping to serve only the Light Farms development.

The City of Celina has made a significant investment in water infrastructure over the last several years due to the commitment that the City has made to provide an appropriate level of service to the existing and future development within their water service area, which includes areas inside and outside their city limits. Over the last several years, the City has been designing and constructing projects identified in the water system Capital Improvement Plan (CIP) documented in the *2017 Water and Wastewater Modeling and CIP Report* in order to have infrastructure in place to facilitate growth. This water system CIP was appropriate to meet the projected growth and was used in the rate study conducted in 2018. The majority of the 15 highest priority projects in the

water system CIP outlined in the *2017 Water and Wastewater Modeling and CIP Report* have been implemented or are in the process of being implemented including the following projects:

- Project 1: Downtown EST shutdown and SCADA switchover
- Project 2: Capacity upgrades to Celina Road Pump Station and installation of 4 new pumps
- Project 3: Capacity upgrades to Downtown Pump Station and installation of 3 new pumps
- Project 4: 12-inch line and valves to switch LPP to HPP
- Projects 5 and 6: Water line from Celina Road Pump Station to Downtown Pump Station
- Project 7: 24-inch and 30-inch discharge lines from Downtown Pump Station
- Project 8: Water line to Morgan Lake area
- Project 11: New 6 MG GST at Celina Road Pump Station
- Project 13: Decommission Morgan Lake facilities
- Project 14: SCADA improvements
- Project 15: 8-inch line upgrades in Downtown area

3.0 Wastewater System Review

Figure 3 displays the existing wastewater system for reference. Celina's wastewater collection system consists of 138 miles of gravity lines and force mains ranging from 3-inch to 36-inch in diameter. The wastewater is conveyed to the City of Celina Wastewater Treatment Plant (WWTP) or to the UTRWD Doe Branch WWTP through a series of gravity mains, force mains, and lift stations. The Light Farms development is not unique in terms of location or wastewater system service compared to other wastewater system customers.

The City of Celina has made a significant investment in wastewater infrastructure over the last several years due to the commitment that the City has made to provide an appropriate level of service to the existing and future development within their wastewater service area, which includes areas inside and outside their city limits. Over the last several years, the City has been designing and constructing projects identified in the wastewater system CIP documented in the *2017 Water and Wastewater Modeling and CIP Report* in order to have infrastructure in place to facilitate growth. This wastewater system CIP was appropriate to meet the projected growth and was used in the rate study conducted in 2018.

4.0 Comments on Petitioners' Exhibit 7

The following statements were included in Mr. Carlson's direct testimony provided on May 26, 2020 as the

Petitioners' Exhibit 7. The responses are based on my experience doing water and wastewater modeling and planning for many municipalities, including the City of Celina.

- *"The City of Celina then pumps water in a pipeline adjacent to FM 428 to the Light Farms water system. The Light Farms water system stores and conveys the water through a system of tanks, pumps and transmission mains to the Petitioners. For Celina's in-city system, the City of Celina operates currently on two pressure planes"* (Petitioners' Exhibit 7, Page 6).
 - This is inaccurate as there is not an independent Light Farms water system. The water lines and EST in the Light Farms development area are part of the overall Celina water system and are connected to the rest of the water system through multiple water lines.
 - The second statement is inaccurate as there are no pumps in or near the Light Farms development area. The Celina Road Pump Station supplies water to the Petitioners as well as every single development in the Celina water service area.
 - There is not an in-city system. The entire City of Celina water service area is one connected water system, which includes areas within and outside the city limits.
- *"Light Farms is essentially a stand-alone water system"* (Petitioners' Exhibit 7, Page 7 and 12); *"Except for the Celina pump station and its line along FM 428, the Light Farms system operates independently from Celina's water system"* (Petitioners' Exhibit 7, Page 8); *"As I mentioned before, the Light Farms system runs independently of the City's system, except for the one pump station at the county line and the line along FM 428"* (Petitioners' Exhibit 7, Page 12).
 - Light Farms is not a stand-alone or independent water system because it is connected to the rest of the Celina water system through pipelines in multiple locations. If Celina lost supply from UTRWD or the Celina Road Pump Station for an extended period of time, there would be no way to maintain water system service and pressure in the Light Farms development or anywhere else in the service area. The Light Farms development area was never intended to operate as a stand-alone system.
- *"In no way is the sewer system downstream dependent upon the system upstream. Just the opposite. The upstream sewer system branches depend on the trunk to operate"* (Petitioners' Exhibit 7, Page 16); *"In a gravity sewer system, only portions upstream are dependent upon portions downstream. The reverse is not a true statement"* (Petitioners' Exhibit 7, Page 16).
 - The downstream portion of the collection system is actually dependent on the upstream system and flows. The downstream sewer lines were sized to handle upstream wastewater flows. Those