



Control Number: 50431



Item Number: 794

Addendum StartPage: 0

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

RECEIVED
2020 JUL -1 PM 3:26
PUBLIC UTILITIES COMMISSION
FILING CLERK

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

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 Farmersville, located at 1803 W. Audi Murphy Parkway, Farmersville, TX 75442 ("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 new construction and will be completed in 2020, the installation of submeters continues to remain cost-prohibitive as the Property is comprised of mostly rent-controlled Class A+ housing (representing 53 units), with the remainder as market-rate units (27 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 27 units (market-rate) to be billed for water-sewer utility costs. The cost to install submeters at this Property would be approximately \$10,480.00 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 27 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 allocation methodology, 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.

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,



Fred D. Lizarraga
Senior Vice President-COO,
Palladium USA International, Inc.
Omnium Management Company, Inc.
13455 Noel Road Suite 400
Dallas, Texas 75240

794

EXHIBIT A

DocuSign Envelope ID: 752F60A1-9AC3-4226-AA32-1BB15E570150



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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

September 18, 2019

Writer's direct phone # (512) 475-3067
Email: nicole.martinez@tdhca.state.tx.us

Thomas Huth
Palladium Farmersville, Ltd.
Dallas, TX
tom@palladiumusa.com

RE: Palladium Farmersville

CMTS ID: 5411

Dear Mr. Huth:

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on September 5, 2019, by Utility Allowance Pro, LLC for Palladium Farmersville to calculate the utility allowance using the HUD Utility Model method described in 10TAC §10.614(c)(3)(C) for the commencement of leasing activities.

Your request is hereby granted. This approval is based on the representation that the residents are financially responsible for electric, that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and, that the Development does not have HUD-Regulated buildings, RHS assisted buildings or RHS assisted tenants. 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.

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 Nicole Martinez at (512) 475-3067 or via email: nicole.martinez@tdhca.state.tx.us.

Sincerely,

A handwritten signature in cursive script that reads "Nicole Martinez".

Nicole Martinez
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 Farmersville		None	Larger Apartment Bldgs. (5+ units)				8/27/2019
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	\$9.87	\$11.01	\$13.01	\$15.02	\$17.02	\$19.03
	Electric Heat Pump						
Cooking	Fuel Oil						
	Natural Gas						
	Bottled Gas						
	Electric	\$2.86	\$3.37	\$4.88	\$6.38	\$7.89	\$9.40
	Other						
Other Electric		\$10.81	\$12.72	\$17.70	\$22.68	\$27.65	\$32.63
Air Conditioning		\$7.12	\$8.37	\$11.61	\$14.84	\$18.08	\$21.31
Water Heating	Natural Gas						
	Bottled Gas						
	Electric	\$6.65	\$7.82	\$9.98	\$12.14	\$14.30	\$16.46
	Fuel Oil						
Water							
Sewer							
Trash Collection							
Range/Microwave							
Total		\$37.31	\$43.29	\$57.17	\$71.06	\$84.94	\$98.82
Total Rounded Up		\$38	\$44	\$58	\$72	\$85	\$99
Previous editions are obsolete		Spreadsheet (ver13) based on form HUD-52667 (12/97) ref Handbook 7420.1					

June 18, 2020

Installation Proposal

Omnium Management Company
13455 Noel Road, #400
Dallas, TX 75240
(972) 774-4438

Dear Fred,

Thank you in advance for allowing Minol the opportunity to present this submetering proposal for Palladium Farmersville.

Minol pioneered the submetering industry more than 60 years ago. Today, we offer a broad range of metering and installation services for electric, water and gas. With Minol's Installation Program you can take confidence in knowing that our technicians are highly-trained in the latest metering technologies. Our team can service and manage virtually any existing meter system, as well as retrofit properties for metering services. The Minol Service Team has one of the largest, in-house field operations team, servicing and maintaining more than 750,000 meter points each month nationwide.

Minol understands that you have many choices when it comes to choosing a utility management company. We have built upon our continued success in the submetering industry to develop additional programs that maximize recovery across all areas of your business:

Meter Installation and Maintenance

☐ Electric ☐ Gas ☐ Water

Utility Billing Solutions

☐ Convergent Billing ☐ Electronic Data Exchange ☐ Online Reporting and Account Access ☐ Ongoing Regulatory Compliance

Energy Management

☐ Bill Auditing and Analysis ☐ Bill Payment ☐ Vacant Unit Cost Recovery ☐ Budget Planning

Water Conservation

☐ Water Saving Components Installation ☐ Recovery Analysis ☐ Pay Out of Savings

Property Management Software - Resman®

☐ Fully-Integrated Property Management and Billing Solution ☐ Complete Portfolio Management

We look forward to an opportunity to work with you in establishing a Submetering Program that is best suited for you. Please contact me at your earliest convenience for further information or to answer any questions you may have.

Sincerely,

Justen Brown
Regional Sales Manager, North Texas and Oklahoma

Minol USA

15280 Addison Road
Suite 100
Addison, Texas 75001

Cell: 214.697.2254 | jsbrown@minolusa.com

Measure- Manage- Recover- Conserve



Minol Installation Proposal – New Construction-(TX) Water Submetering and AMR Reading System

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

Minol Responsibilities:

- Furnish 80 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, 2 Repeaters and 80 Wireless Transmitters.
- Furnish 80 Idler Tubes and 160 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.
- ***If project is located in Massachusetts, Client shall be solely responsible for compliance with laws and regulations of General Laws of Mass Part 2, Title 1, Ch. 186, Sec. 22(b) pertaining to requirement of submetering common areas. All common areas are to be submetered. The Client represents and warrants that all common areas are being submetered, or the Client has received a waiver to, or are not required to adhere to, the aforementioned requirement for submetering of common areas.***
- ***If project is located in Massachusetts, Client is solely responsible for the completion of, and the filing of, the Board of Health Massachusetts Submetering Certification Forms at the local board of health serving the Property.***

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 Idler 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, sign and provide the Board of Health 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.

15280 Addison Road, Suite 100 ☐ Addison, TX 75001 ☐ Phone: 888.766.1253 ☐ Fax: 972.386.7711 ☐ minolusa.com



Price:

Submetering and System Installation for the property named Palladium Farmersville:

\$131.00* per unit for 80 units for a total cost of \$10,480.00*
(Proposal 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 Farmersville, 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 Farmersville, LTD						
Mailing Address:	1803 W. Audie Murphy Pkwy.	City	Farmersville	State	TX	Zip	75442
Telephone #	(972) 784-9131	Fax # (if applicable)	(972) 774-4495	E-mail	manager@palladiumfarmersville.com		
<input checked="" type="checkbox"/> Apartment Complex	<input type="checkbox"/> Condominium	<input type="checkbox"/> Manufactured Home Rental Community				<input type="checkbox"/> 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 Farmersville

Date submetered or allocated billing begins (or began) 06/22/2020 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"/>	Occupancy method: 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.
-------------------------------------	--

Ratio occupancy method: 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.	Number of Occupants	Number of Occupants for Billing Purposes
	1	1.0
	2	1.6
	3	2.2
	>3	2.2 + 0.4 for each additional occupant

Estimated occupancy method: 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.	Number of Bedrooms	Number of Occupants for Billing Purposes
	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"/>	Occupancy and size of rental unit	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"> • the size of the tenant's dwelling unit divided by the total size of all dwelling units, OR • the size of the space rented by the tenant of a manufactured home divided by the size of all rental spaces.
-------------------------------------	--	----	---

<input type="checkbox"/>	Submetered hot water:	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"/>	Submetered cold water is used to allocate charges for hot water provided through a central system:	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"/>	As outlined in the condominium contract. Describe:

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