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SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788

2021 MAY 10 AM 10:05

RATEPAYERS APPEAL OF THE § BEFORE THE STATE OFFICE
DECISION BY WINDERMERE OAKS §
WATER SUPPLY CORPORATION TO § OF
CHANGE WATER AND SEWER §
RATES § ADMINISTRATIVE HEARINGS

**WINDERMERE OAKS WATER SUPPLY CORPORATION'S RESPONSE TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Windermere Oaks Water Supply Corporation (WOWSC) files this Response to the Third Request for Information (RFI) filed by the Staff of the Public Utility Commission of Texas (Staff). The discovery request was received by WOWSC on April 19, 2021; therefore these responses are timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), these responses may be treated as if they were filed under oath.

If a responsive document exceeds 99 pages, the response will indicate that the attachment is voluminous, and pursuant to 16 TAC § 22.144(h)(2), the document will be provided electronically on the CD attached to this filing and made available for inspection at the offices of Undine's attorneys, Lloyd Gosselink Rochelle and Townsend, P.C., located at 816 Congress Avenue, Suite 1900, Austin, Texas 78701. Please call Patricia Martinez at 512-322-5883 during regular business hours, to make an appointment to review the documents.

Respectfully submitted,

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**ATTORNEYS FOR WINDERMERE OAKS
WATER SUPPLY CORPORATION**

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on May 10, 2021, in accordance with the Order Suspending Rules, issued in Project No. 50664.



JAMIE L. MAULDIN

**SOAH DOCKET NO. 473-20-4071.WS
PUC DOCKET NO. 50788**

WOWSC'S RESPONSE TO STAFF'S THIRD RFI

Staff 3-1 Reference Mike Nelson's testimony, Attachment MN-2, Water Revenue and Rate Design. Provide the basis for the calculation used to determine the Budget/Cost of Service Item, Depreciation, in the amount of \$56,273.

RESPONSE: The basis for the calculation of \$56,273 for depreciation in the 2020 rate analysis was based on the Y2017 actual of \$55,908 Depreciation Reserve. See cell E195 in Attachment Staff 3-1. This amount was used in the Y2018 budget of \$56,000 (see cell H195 in the same worksheet), and was then carried into both the Y2019 & Y2020 budgets (\$56,000 both). The basis for the \$273 of the \$56,273 is not known.

WOWSC used the spreadsheet that it had developed in prior collaboration with the Texas Rural Water Association (TRWA) in 2017 for determination of a rate increase in 2018. Through discussion with TRWA, their spreadsheet used the generally accepted accounting practice of "Depreciation" for its rate analysis, in the manner preferred by the Texas Commission on Environmental Quality. The TCEQ was the oversight agency for water utilities when TRWA developed its rate analysis spreadsheet.

WOWSC treats this "depreciation" amount as a reserve for future capital expenditures related to aging infrastructure.

Prepared by: Joe Gimenez
Sponsored by: Joe Gimenez

Windermere Oaks W.S.C.
2018 Budget

	2017 Budget	2017 Actuals	2018 Budget
40000 · Standby Fees			
40000-5 · Standby Fees - Water		20,988 72	20,000 00
40000-6 · Standby Fees - Sewer		20,988 71	20,000 00
40000 · Standby Fees - Other	50,000.00	0 00	
Total 40000 · Standby Fees	50,000.00	41,977.43	40,000.00
40200 · Water & Sewer Services			
40200-5 · Water Services		167,806 41	192,362.00
40200-6 · Sewer Services		112,066 61	121,205.00
40200 · Water & Sewer Services - Other	255,000 00	0 00	
Total 40200 · Water & Sewer Services	255,000.00	279,873.02	313,567.00
40300 · Late Charges			
40300-5 · Late Charges - Water		3,604.91	3,000 00
40300-6 · Late Charges - Sewer		3,145.39	2,000 00
40300 · Late Charges - Other	5,000 00	0 00	
Total 40300 · Late Charges	5,000.00	6,750.30	5,000.00
40410 · Membership Transfer Fees			
40410-5 · Membership Transfer Fees-Water		35 00	50 00
40410-6 · Membership Transfer Fees-Sewer		35 00	50 00
40410 · Membership Transfer Fees - Other	100 00	0.00	
Total 40410 · Membership Transfer Fees	100.00	70.00	100.00
40500 · Equity Buy-in Fees			
40500-5 · Equity Buy-In Fees - Water		12,000 00	15,500.00
40500-6 · Equity Buy-In Fees - Sewer		12,000 00	15,500 00
40500 · Equity Buy-in Fees - Other	40,000 00	0 00	
Total 40500 · Equity Buy-in Fees	40,000.00	24,000.00	31,000.00
40600 · Water & Sewer Taps			
40600-5 · Water Taps		4,500 00	5,812.50
40600-6 · Sewer Taps		3,750 00	5,812.50
40600 · Water & Sewer Taps - Other	15,000 00	0.00	
Total 40600 · Water & Sewer Taps	15,000.00	8,250.00	11,625.00

**Windermere Oaks W.S.C.
2018 Budget**

	2017 Budget	2017 Actuals	2018 Budget
46400 · Reconnect fee			
46400-5 · Reconnect Fee - Water		17.50	150.00
46400-6 · Reconnect Fee - Sewer		17.50	150.00
46400 · Reconnect fee - Other	500.00	0.00	
Total 46400 · Reconnect fee	500.00	35.00	300.00
41000 - Interest Income	250.00	362.47	350.00
Total Income	365,850.00	361,318.22	401,942.00
50000 · COS-Operator			
50000-5 · COS Operator - Water		71,530.00	76,440.00
50000-6 · COS Operator - Sewer		38,270.00	41,160.00
50000 · COS-Operator - Other	109,800.00	0.00	
Total 50000 · COS-Operator	109,800.00	109,800.00	117,600.00
57000 · COS-Chemicals			
57000-5 · COS Chemicals - Water		10,123.82	10,780.00
57000-6 · COS Chemicals - Sewer		300.79	220.00
57000 · COS-Chemicals - Other	6,000.00	0.00	
Total 57000 · COS-Chemicals	6,000.00	10,424.61	11,000.00
57500 · COS-Electricity			
57500-5 · COS Electricity -Water		11,560.70	12,760.00
57500-6 · COS Electricity -Sewer		8,582.69	9,240.00
57500 · COS-Electricity - Other	21,000.00	0.00	
Total 57500 · COS-Electricity	21,000.00	20,143.39	22,000.00
58000 · COS-Sludge Removal			
58000-5 · COS-Sludge Removal - Water		2,661.10	4,140.00
58000-6 · COS-Sludge Removal - Sewer		5,433.90	4,860.00
58000 · COS-Sludge Removal - Other	3,000.00	0.00	
Total 58000 · COS-Sludge Removal	3,000.00	8,095.00	9,000.00

Windermere Oaks W.S.C.
2018 Budget

		2017 Budget	2017 Actuals	2018 Budget
58500 · LCRA - Raw Water Fee				
	58500-5 · COS-LCRA Raw Water Fee - Water		4,982.50	7,200.00
	58500-6 · COS-LCRA Raw Water Fee - Sewer		3,568.93	4,800.00
	58500 · LCRA - Raw Water Fee - Other	12,000.00	0.00	
Total 58500 · LCRA - Raw Water Fee		12,000.00	8,551.43	12,000.00
59000 · COS-Lab Fees				
	59000-5 · COS Lab Fees- Water		2,689.77	3,640.00
	59000-6 · COS Lab Fees- Sewer		2,554.27	3,360.00
	59000 · COS-Lab Fees - Other	9,000.00	0.00	
Total 59000 · COS-Lab Fees		9,000.00	5,244.04	7,000.00
	Total COGS	160,800.00	162,258.47	178,600.00
77600 · Website		1,000.00	357.50	400.00
59610 · Install New Service Taps				
	59610-5 · Install New Service Taps-Water		8,142.30	5,250.00
	59610-6 · Install New Service Taps-Sewer		7,313.09	5,250.00
	59610 · Install New Service Taps - Other	13,000.00	0.00	
Total 59610 · Install New Service Taps		13,000.00	15,455.39	10,500.00
62000 · Bank Charges				
	62000-5 · Bank Charges - Water		240.72	300.00
	62000-6 · Bank Charges - Sewer		240.71	300.00
	62000 · Bank Charges - Other	1,500.00	0.00	
Total 62000 · Bank Charges		1,500.00	481.43	600.00
62500 · Accounting				
	62500-5 · Accounting - Water		2,131.25	3,750.00
	62500-6 · Accounting - Sewer		2,131.25	3,750.00
	62500 · Accounting - Other	10,000.00	0.00	
Total 62500 · Accounting		10,000.00	4,262.50	7,500.00
62600 · Billing Services				
	62600-5 · Billing - Water		7,964.00	8,000.00
	62600-6 · Billing - Sewer		7,963.99	8,000.00

**Windermere Oaks W.S.C.
2018 Budget**

		2017 Budget	2017 Actuals	2018 Budget
	62600 · Billing Services - Other	15,000.00	0.00	
Total 62600 · Billing Services		15,000.00	15,927.99	16,000.00
62800 · Total Contract Services				
	62804-5 · Professional Engineer - Water	5,000.00	0.00	1,250.00
	62804-6 · Professional Engineer - Sewer		375.00	1,250.00
	62806-5 · Consulting Fees - Water	2,500.00	781.25	1,250.00
	62806-6 · Consulting Fees - Sewer		1,500.63	1,250.00
Total 62800 · Total Contract Services		7,500.00	2,656.88	5,000.00
63000 · Legal/Appraisal				
	63000-5 · Legal/Appraisal - Water		1,123.61	1,250.00
	63000-6 · Legal/Appraisal - Sewer		1,123.60	1,250.00
	63000 · Legal/Appraisal - Other	1,500.00	0.00	
Total 63000 · Legal/Appraisal		1,500.00	2,247.21	2,500.00
63500 · Dues & Subscriptions				
	63500-5 · Dues/Subscriptions - Water		276.17	300.00
	63500-6 · Dues/Subscriptions - Sewer		276.17	300.00
Total 63500 · Dues & Subscriptions		1,500.00	552.34	600.00
Total 63501 - CTWC Subscriptions		2,000.00	2,000.00	2,000.00
64000 · Regulatory System Fee				
	64010-6 · TCEQ Annual Fee - Sewer	1,500.00	1,250.00	1,500.00
	64020-5 · TCEQ Annual Water System Fee	750.00	568.40	750.00
Total 64000 · Regulatory System Fee		2,250.00	1,818.40	2,250.00
65500 · Insurance				
	65500-5 · Insurance - Water		6,288.58	7,000.00
	65500-6 · Insurance - Sewer		6,288.57	7,000.00
	65500 · Insurance - Other	13,000.00	0.00	
Total 65500 · Insurance		13,000.00	12,577.15	14,000.00
65900 · Meals & Entertainment		1,500.00	0.00	500.00

Windermere Oaks W.S.C.
2018 Budget

		2017 Budget	2017 Actuals	2018 Budget
66000 · Office Supplies				
	66000-5 · Office Supplies - Water		760.66	2,500.00
	66000-6 · Office Supplies - Sewer		808.99	2,500.00
	66000 · Office Supplies - Other	5,000.00	0.00	
Total 66000 · Office Supplies		5,000.00	1,569.65	5,000.00
66500 · Telephone and Internet				
	66500-5 · Telephone/Internet - Water		2,014.71	2,500.00
	66500-6 · Telephone/Internet - Sewer		2,141.10	2,500.00
	66500 · Telephone and Internet - Other	4,500.00	0.00	
Total 66500 · Telephone and Internet		4,500.00	4,155.81	5,000.00
67000 · Postage & Shipping Expense				
	67000-5 · Postage & Shipping - Water		1,213.82	2,500.00
	67000-6 · Postage & Shipping - Sewer		1,296.27	2,500.00
	67000 · Postage & Shipping Expense - Other	2,000.00	0.00	
Total 67000 · Postage & Shipping Expense		2,000.00	2,510.09	5,000.00
68000 · Equipment Rental Expense		1,000.00	0.00	1,000.00
68500 · Repairs & Maintenance				
	68500-5 · Repairs & Maintenance - Water		28,605.22	32,000.00
	68500-6 · Repairs & Maintenance - Sewer		6,875.33	8,000.00
	68500 · Repairs & Maintenance - Other	30,000.00	0.00	
Total 68500 · Repairs & Maintenance		30,000.00	35,480.55	40,000.00
68600 · Repair Parts				
	68600-5 · Repair Parts - Water		5,922.13	11,200.00
	68600-6 · Repair Parts - Sewer		2,545.39	4,800.00
	68600 · Repair Parts - Other	12,500.00	0.00	
Total 68600 · Repair Parts		12,500.00	8,467.52	16,000.00
69000 · Printing Expense		500.00	0.00	500.00

Windermere Oaks W.S.C.
2018 Budget

Attachment Staff 3-1

		2017 Budget	2017 Actuals	2018 Budget
71500 · Interest Expense				
	71500-6 · Interest Expense - Sewer		15,306.90	16,000.00
	71500 · Interest Expense - Other	18,000.00	0.00	
Total 71500 · Interest Expense		18,000.00	15,306.90	16,000.00
72100 · Taxes-Property		40.00	0.00	40.00
77500 · Meetings/Conferences				
	77500-5 · Meetings/Conferences-Water		1,466.47	1,250.00
	77500-6 · Meetings/Conferences-Sewer		1,466.45	1,250.00
	77500 · Meetings/Conferences - Other	1,250.00	0.00	
Total 77500 · Meetings/Conferences		1,250.00	2,932.92	2,500.00
	Grand Total Expenses	305,340.00	291,018.70	331,490.00
	Net Ordinary Income		70,299.52	70,452.00
Loan Principal Payments			34,585.62	35,000.00
	Net Income after Loan Principal		35,713.90	35,452.00
Capital Reserve Projects			36,841.90	60,000.00
Depreciation Reserve			55,908.00	56,000.00
	Total Reserve		92,749.90	116,000.00
	Grand Total Net Income/Loss		(57,036.00)	(80,548.00)
Note: Loan final/balloon payment of \$171,523.00 due May 4, 2021				
	Checking Balance as of 12/31/17		37,466.97	
	MM+ Balance		59,487.03	
	Capital Reserve Balance		47,158.10	
	Total		144,112.10	