



Control Number: 50788



Item Number: 122

Addendum StartPage: 0

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

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

**REBUTTAL TESTIMONY**

**OF**

**MIKE NELSON**

**ON BEHALF OF**

**WINDERMERE OAKS WATER SUPPLY CORPORATION**

2021 JUN -7 PM 4:03  
10:13 AM

**JUNE 7, 2021**

**REBUTTAL TESTIMONY OF  
MIKE NELSON**

**TABLE OF CONTENTS**

|   | <b>Page</b> |
|---|-------------|
| <b>I.</b> INTRODUCTION .....  | 3           |
| <b>II.</b> PURPOSE OF REBUTTAL TESTIMONY .....                      | 3           |
| <b>III.</b> RESPONSE TO INITIAL TESTIMONY OF MAXINE GILFORD .....   | 4           |
| <b>IV.</b> RESPONSE TO INITIAL TESTIMONY OF SPENCER ENGLISH.....    | 8           |
| <b>V.</b> RESPONSE TO INITIAL TESTIMONY OF STEPHEN J. MENDOZA ..... | 9           |
| <b>VI.</b> RESPONSE TO INITIAL TESTIMONY OF PATTI FLUNKER .....     | 10          |
| <b>VII.</b> CONCLUSION.....   | 11          |

**ATTACHMENTS**

Attachment MN-6

Windermere Oaks Water Supply Corporation’s 2019 Water Sewer  
Revenue Model

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

|  |                       |   |
|--|-----------------------|---|
| <b>RATEPAYERS APPEAL OF THE<br/>DECISION BY WINDERMERE OAKS<br/>WATER SUPPLY CORPORATION TO<br/>CHANGE WATER AND SEWER<br/>RATES</b> | §<br>§<br>§<br>§<br>§ | <b>BEFORE THE STATE OFFICE<br/><br/>OF<br/><br/>ADMINISTRATIVE HEARINGS</b> |
|--|-----------------------|---|

**REBUTTAL TESTIMONY OF  
MIKE NELSON**

**I. INTRODUCTION**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18

**Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

A. My name is Mike Nelson. I serve as a Board member and Treasurer for the Windermere Oaks Water Supply Corporation (“WOWSC”). My business address in this capacity is 424 Coventry Road, Spicewood, Texas, 78669.

**Q. ARE YOU THE SAME MIKE NELSON WHO PROVIDED DIRECT TESTIMONY IN THIS CASE?**

A. Yes, I am.

**II. PURPOSE OF REBUTTAL TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS PROCEEDING?**

A. The purpose of my rebuttal testimony is to respond to certain recommended adjustments presented by the Public Utility Commission (“Commission”) Staff in direct testimony. Further, I respond to factual inaccuracies and general policy issues addressed in the Direct Testimonies of Ratepayer Representatives of the Windermere Oaks Water Supply Corporation (“Ratepayers”).

Specifically, I respond to Staff witness Maxine Gilford’s recommendations to remove all outside legal costs from WOWSC’s rates. I also respond to Commission Staff

1 witness Stephen Mendoza's recommendations on WOWSC's base rates. Lastly, I respond  
2 to Ratepayer witness Patti Flunker's discussion of the rate development process.

3 **III. RESPONSE TO INITIAL TESTIMONY OF MAXINE GILFORD**

4 **Q. PLEASE DESCRIBE STAFF'S RECOMMENDATION REGARDING WOWSC'S**  
5 **BASE RATES.<sup>1</sup>**

6 A. Ms. Gilford recommends a total revenue requirement of \$404,855, which equates to a water  
7 revenue requirement of \$242,913 and wastewater revenue requirement of \$161,942. I will  
8 address these recommendations in my rebuttal of Commission Staff witness Stephen  
9 Mendoza, below.

10 **Q. PLEASE DESCRIBE STAFF'S PRIMARY RECOMMENDATION REGARDING**  
11 **THE INCLUSION OF OUTSIDE LEGAL EXPENSES.<sup>2</sup>**

12 A. Ms. Gilford recommends removing the entire \$171,337 for outside legal expenses from the  
13 revenue requirement. Ms. Gilford testifies that WOWSC has failed to show that the legal  
14 expenses incurred to litigate the contested matters are just and reasonable expenses that  
15 may be recovered through rates. She also states that WOWSC has failed to show how these  
16 expenses benefit ratepayers and that the outcome of one of the proceedings is unknown.  
17 Lastly, she testifies that these expenses occurred outside of a test year and therefore should  
18 not be included in rates. WOWSC witness Joe Gimenez rebuts these arguments in his  
19 rebuttal testimony.

20 **Q. DOES STAFF SUGGEST ANY ALTERNATIVE RECOMMENDATIONS FOR**  
21 **INCLUSION OF THE OUTSIDE LEGAL EXPENSES?<sup>3</sup>**

---

<sup>1</sup> Direct Testimony of Maxine Gilford at 6:13-15 (May 5, 2021) (Gilford Direct).

<sup>2</sup> Gilford Direct at 12:8-19.

<sup>3</sup> Gilford Direct at 16:3-7.

1 A. Yes. Ms. Gilford recognizes that the Texas Water Code (“TWC”) § 13.043(j) requires that  
2 the Commission use a methodology that preserves the financial integrity of the retail public  
3 utility. She testifies that if WOWSC provides sufficient evidence in its rebuttal testimony  
4 to demonstrate that recovery of outside legal expenses are necessary to preserve its  
5 financial integrity, then she recommends that the Commission consider that information.

6 **Q. PLEASE DESCRIBE THE IMPACT THAT DISALLOWING THE OUTSIDE**  
7 **LEGAL EXPENSES WOULD HAVE ON THE FINANCIAL INTEGRITY OF**  
8 **WOWSC.**

9 A. If the Commission adopts Staff’s recommended water and wastewater base rates, WOWSC  
10 will not generate sufficient revenue to recover Staff’s “adjusted” 2019 revenue  
11 requirement. The recommended base rates recover approximately \$49,000 less when one  
12 includes WOWSC’s gallonage fees and 2019 usage. As discussed in the Rebuttal  
13 Testimony of Grant Rabon, Staff significantly overestimates WOWSC’s variable revenue  
14 from water sold and wastewater treated. WOWSC’s 2019 water gallonage revenue is  
15 estimated at \$73,811 and wastewater gallonage revenue is estimated at \$33,195 for a total  
16 of \$107,006<sup>4</sup> which is, \$49,000 short, of Staff’s gallonage revenue of \$155,944.<sup>5</sup>  
17 Additionally, the significantly reduced revenue would severely impact WOWSC’s ability  
18 to: a) maintain binding loan covenants; b) make required repairs and improvements to  
19 aging equipment, such as the clarifier and water tank; c) react to and mitigate  
20 environmental challenges (zebra mussels, dispersant fields); d) retain current legal counsel

---

<sup>4</sup> See Windermere Oaks Water Supply Corporation’s 2019 Water Sewer Revenue Model (provided as Attachment MN-6).

<sup>5</sup> See Direct Testimony of Stephen Mendoza, Attachment SJM-3 at 2 (May 5, 2021) (Mendoza Direct).

1 and/or to find subsequent legal counsel, putting the organization at risk of additional legal  
2 action brought by the same small group of members.

3 **Q. DOES WOWSC HAVE ACCESS TO EXCESS FUNDS TO USE FOR LEGAL**  
4 **EXPENSES?**

5 A. No. As discussed in the rebuttal testimony of Joe Gimenez, WOWSC has three promissory  
6 notes with CoBank. However, each of those three promissory notes are predicated on use  
7 for explicit purposes: a) finance various capital expenditures; b) refinance indebtedness to  
8 First United Bank and Trust; and c) purchase a new clarifier/pre-treatment tank and UV  
9 treatment equipment. WOWSC must use these funds as expressly provided in the loan  
10 covenants and cannot pay for outside legal expenses with them.

11 **Q. IF THE OUTSIDE LEGAL EXPENSES WERE ALLOWED, DO YOU AGREE**  
12 **WITH STAFF'S RECOMMENDED TIME-PERIOD FOR RECOVERY?**

13 A. No, as explained further in the rebuttal testimonies of Joe Gimenez and Grant Rabon, these  
14 outside legal expenses were primarily incurred over a two-year period. WOWSC should  
15 be allowed to recover these amounts over a corresponding time period. The lawsuit styled  
16 *TOMA Integrity v. WOWSC*,<sup>6</sup> was filed December 12, 2017. WOWSC began incurring  
17 legal defense invoices starting in 2018, not 2016.

18 **Q. WHAT IMPACT WOULD A RECOVERY PERIOD OF LONGER THAN TWO**  
19 **YEARS HAVE ON THE FINANCIAL INTEGRITY OF WOWSC?**

20 A. Prolonging the recovery of these legal expense payments would severely impact  
21 WOWSC's ability to retain current legal counsel and to find subsequent legal counsel to  
22 defend itself from ongoing litigation and potential future legal challenges. Furthermore, a

---

<sup>6</sup> *TOMA Integrity v. Windermere Oaks Water Supply Corporation*, No. 47531 (33rd Dist. Ct., Burnet County, Tex., Dec. 12, 2017) (*TOMA Lawsuit*).

1 small group of members have initiated litigation against WOWSC three times in the courts  
2 since the end of 2017 and have shown no signs of stopping.<sup>7</sup> Thus, it is likely that WOWSC  
3 will incur additional legal costs related to litigation in the future.

4 **Q. WHAT IS STAFF'S RECOMMENDATION REGARDING WOWSC'S**  
5 **RECOVERY OF RATE CASE EXPENSES?**

6 A. Staff witness Maxine Gilford recommends the Commission allow recovery of rate-case  
7 expenses in the amount of \$148,747.12.<sup>8</sup>

8 Ms. Gilford further recommends that if WOWSC is permitted to impose a  
9 surcharge, that it recover its rate-case expenses through a monthly surcharge to all of its  
10 customers over a five-year period.<sup>9</sup> Ms. Gilford recommends that the monthly amount  
11 equal the total rate-case expenses divided by the current number of connections, divided  
12 by five years, divided by 12 months and that the Commission limit recovery to the earlier  
13 of 60 months or such time that WOWSC recovers the full amount of allowed rate-case  
14 expenses. For the expenses incurred through February 28, 2021, the monthly surcharge  
15 per water connection and per wastewater connection equals \$4.80 (\$148,747.12 divided by  
16 [the sum of 271 water accounts and 245 wastewater accounts] divided by 60 months).

17 **Q. DO YOU AGREE WITH THIS RECOMMENDATION?**

---

<sup>7</sup> See TOMA Lawsuit; see also *Rene Ffrench, John Richard Dial, Stuart Bruce Sorgen, and as Representatives for Windermere Oaks Water Supply Corporation v. Friendship Homes & Hangars, LLC, WOWSC, and its Directors William Earnest, Thomas Michael Madden, Dana Martin; Robert Mebane; and Patrick Mulligan* (originally styled *Double F Hanger Operations, LLC, Lawrence R. Ffrench, Jr., Patricia Flunker, and Mark A. McDonald v Friendship Homes & Hangars, LLC, and Burnet County Commissioners Court*), No. 48292 (33rd Dist. Ct., Burnet County, Tex. Jul. 9, 2018) (*Double F Hanger Lawsuit*); and the case at issue in this proceeding (Docket No. 50788).

<sup>8</sup> Gilford Direct at 18:2-3.

<sup>9</sup> Gilford Direct at 18:6-14.



1 A. No. As with the legal expenses, prolonging the recovery of rate-case expenses would  
2 severely impact WOWSC’s ability to retain current legal counsel and to find subsequent  
3 legal counsel, thus putting the organization at risk from additional litigation. A small group  
4 of members have initiated litigation against WOWSC three times in the courts (*Double F*  
5 *Hanger* Lawsuit, *TOMA* Lawsuit, and this suit at issue) since the end of 2017 and have  
6 shown no signs of stopping. Thus, WOWSC needs to recover funding for rate case  
7 expenses related to defense of this rate appeal in order to retain legal counsel in the event  
8 of future litigation initiated by WOWSC members.

9 **IV. RESPONSE TO INITIAL TESTIMONY OF SPENCER ENGLISH**

10 **Q. DO YOU AGREE WITH MR. ENGLISH’S ASSESSMENT OF WOWSC’S TOTAL**  
11 **DEBT SERVICE?**

12 A. No. For current debt service, Mr. English cites to Direct Testimony of Mike Nelson,  
13 Attachment MN-1 at Sheet 3, to determine that WOWSC’s total debt service for 2019 was  
14 \$532,283.<sup>10</sup> This is incorrect. In the Direct Testimony of Mike Nelson, Attachment MN-  
15 1 at Sheet 3 is titled “WOWSC’s Current Rates—effective March 23, 2020” and does not  
16 include the figure \$532,283 or any information regarding WOWSC’s loan.

17 I believe Mr. English is referring to the native file found on the Commission  
18 interchange where Attachment MN-1 is the Texas Rural Water Association (TRWA) Rate  
19 Analysis. The TRWA Rate Analysis is found at hard copy Attachment MN-2 in the Direct  
20 Testimony of Mike Nelson, and does not include Sheets 2 or 3.

21 The number “\$532,283” is found on Sheet 3 of the native TRWA Rate Analysis.  
22 However, that sheet is unrelated to WOWSC’s rate analysis and was inadvertently included  
23 in the native file. Indeed, the title of Sheet 3 is “1999 Water Revenue Requirement & Rate

---

<sup>10</sup> Direct Testimony of Spencer English at 2:15, and at 4 fn. 1 (May 5, 2021) (Spencer Direct).

1 Design” and is for “Utility: Mauriceville SUD.” To correct the record, in 2019 WOWSC  
2 had one outstanding loan with First United Bank and WOWSC made twelve monthly  
3 principal and interest payments of \$4,157.71 which totals to \$49,892.52.

4 **Q. WHAT IS THE EFFECT OF THIS ERROR ON MR. ENGLISH’S**  
5 **RECOMMENDATION?**

6 A. It is not exactly clear, as I cannot locate where Mr. English uses “\$532,283” in his analysis.  
7 I also cannot locate in Attachment MN-1 Sheet 1 where WOWSC’s rates reflect a debt  
8 service coverage ratio of 1.0x as Mr. English testifies.<sup>11</sup> As discussed in the financial  
9 assessment prepared by Grant Rabon in September 2020, WOWSC’s debt service coverage  
10 ratio for 2019 was 1.1x.<sup>12</sup> There is a slight discrepancy between the number for debt service  
11 used by Mr. Rabon and the number included in the testimony above, but the 1.1x debt  
12 service coverage as included in Mr. Rabon’s assessment is still accurate.

13 **V. RESPONSE TO INITIAL TESTIMONY OF STEPHEN J. MENDOZA**

14 **Q. PLEASE DESCRIBE MR. MENDOZA’S RECOMMENDED ADJUSTMENT TO**  
15 **WOWSC’S MONTHLY BASE RATES.**<sup>13</sup>

16 A. Mr. Mendoza recommends a monthly base water rate of \$45.92 and wastewater rate of  
17 \$33.87. This recommendation would reduce WOWSC’s monthly base rates of \$90.39 for  
18 water and \$66.41 for wastewater to amounts lower than the existing base rates prior to the  
19 2020 rate increase that is the subject of this appeal (which were \$50.95 and \$40.12 for  
20 water and wastewater, respectively).<sup>14</sup>

---

<sup>11</sup> Mendoza Direct at 3:17.

<sup>12</sup> See Direct Testimony of Joe Gimenez, Attachment JG-6 at 2 (Mar. 10, 2021) (Gimenez Direct).

<sup>13</sup> Mendoza Direct at 4:20-5:2.

<sup>14</sup> Mendoza Direct at 5:12-18.

1 **Q. DO YOU AGREE WITH THIS RECOMMENDATION?**

2 A. No. Not only would Mr. Mendoza's recommendation put WOWSC in a financial situation  
3 worse than when it decided it was necessary to implement a rate increase, it would also not  
4 even appear to allow WOWSC to recover Staff's recommended total revenue requirement  
5 of \$404,855 with WOWSC's gallonage fees and 2019 usage. As detailed further in the  
6 rebuttal testimony of Grant Rabon, Mr. Mendoza's monthly base rates would fall  
7 substantially short, of generating the adjusted revenue requirement. Despite the significant  
8 discrepancy, Staff has not explained how WOWSC would account for or otherwise cover  
9 the difference in amounts. The WOWSC Board used the TRWA analysis to understand  
10 the maximum increases that could be made to the base rates based on the 2019 financials.  
11 The TRWA analysis determined WOWSC's 2019 expenses justified maximum base rates  
12 totaling \$174.59,<sup>15</sup> and the Board stayed well below that maximum value with base rates  
13 totaling \$156.80 (\$90.39 + \$66.41).

14 **VI. RESPONSE TO INITIAL TESTIMONY OF PATTI FLUNKER**

15 **Q. REFERRING TO PATTI FLUNKER'S TESTIMONY,<sup>16</sup> HAS MS. FLUNKER**  
16 **RECOMMENDED THE ASSISTANCE OF TRWA ON OCCASIONS OTHER**  
17 **THAN FOR A WASTEWATER CIRCUIT RIDER?**

18 A. Yes, that is not the only time Ms. Flunker recommended assistance from TRWA. In fact,  
19 Ms. Flunker has mentioned and recommended the use of TRWA on several occasions,  
20 including more recently.

---

<sup>15</sup> See Direct Testimony of Mike Nelson, Attachment MN-2 at cell K56.

<sup>16</sup> Direct Testimony of Patti Flunker at 5:6-8 (Apr. 7, 2021) (P. Flunker Direct).

1 **Q. PATTI FLUNKER CLAIMS THAT ADDITIONAL FORMULAS WERE USED TO**  
2 **DETERMINE THE EFFECTIVE RATE.<sup>17</sup> DO YOU AGREE?**

3 A. No, it is my understanding that no additional formulas were used.

4 **Q. PLEASE EXPLAIN MS. FLUNKER'S THEORY THAT THE NUMBER OF**  
5 **GALLONS TREATED WAS NOT INCORPORATED INTO THE**  
6 **WATER/WASTEWATER STUDY.<sup>18</sup>**

7 A. Gallonage charges are included in TRWA's analysis. To share the increased legal expenses  
8 burden across all members, WOWSC's Board decided to only adjust base rates and to not  
9 change gallonage rates. The new monthly base rates of \$90.39 for water and \$66.41 for  
10 wastewater total \$156.80, which was less than the base rates total of \$174.59 in TRWA's  
11 analysis. This enabled the Board to move forward with base rates only changes. The base  
12 rates changes were calculated to pay an additional  $\$65.73 \times 253 = \$16,629.69$  per month  
13 towards legal balances. The base rates were not changed to the maximum determined by  
14 the TRWA analysis.

15 **VII. CONCLUSION**

16 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

17 A. Yes, it does.

---

<sup>17</sup> P. Flunker Direct at 8:8-11.

<sup>18</sup> P. Flunker Direct at 9:4-5.

5/25/2021  
Mike Nelson

Subject: WOWSC Water + Waste-Water Revenue Model Y2019

Y2019 WOWSC Water and Waste-Water Revenue Model Based on Y2019 Gallonage

|                            |                       |                  | Accounts | Gallonage | Revenue    | Accounts | Gallonage | Revenue    | Accounts | Gallonage |
|----------------------------|-----------------------|------------------|----------|-----------|------------|----------|-----------|------------|----------|-----------|
|                            |                       |                  | January  | January   | January    | February | February  | February   | March    | March     |
|                            | WWTP gallons          |                  |          | 140,700   |            |          | 125,400   |            |          | 119,100   |
|                            | Process Meter         |                  |          | 26,200    |            |          | 23,300    |            |          | 19,100    |
|                            | Water Leaks and Flush |                  |          |           |            |          | 300,000   |            |          |           |
|                            |                       |                  |          | 166,900   |            |          | 448,700   |            |          | 138,200   |
| <b>Water Service Rates</b> |                       |                  |          |           |            |          |           |            |          |           |
| Base charge                | \$50.95               | per meter        |          |           |            |          |           |            |          |           |
| 0 gallons                  |                       |                  | 52       | 0         |            | 56       | 0         |            | 51       | 0         |
| 0 - 2000 gallons           | 3.55                  | per 1000 gallons | 107      | 96600     | \$342.93   | 111      | 93000     | \$330.15   | 114      | 89500     |
| 2001 - 4000 gallons        | 6.50                  | per 1000 gallons | 63       | 184300    | \$826.25   | 67       | 200900    | \$910.55   | 64       | 182900    |
| 4001 - 8000 gallons        | 9.75                  | per 1000 gallons | 40       | 216400    | \$1,353.90 | 29       | 153300    | \$946.58   | 30       | 155700    |
| 8001 - 10000 gallons       | 13.00                 | per 1000 gallons | 3        | 28100     | \$152.60   | 3        | 25400     | \$117.50   | 3        | 27400     |
| 10001 - 15000 gallons      | 13.00                 | per 1000 gallons | 0        | 31,800    | \$413.40   | 1        | 10,300    | \$89.00    | 5        | 99,900    |
| 15001 or more              | 15.00                 | per 1000 gallons | 4        | 307,200   | \$4,228.00 | 1        | 31,400    | \$396.10   | 1        | 40,900    |
|                            |                       | Gallonage Total  | 269      | 864,400   | \$7,317.08 | 268      | 514,300   | \$2,789.88 | 268      | 596,300   |
| <b>Sewer Service Rates</b> |                       |                  |          |           |            |          |           |            |          |           |
| Base Charge                | \$40.12               | per meter        | 239      |           |            | 239      |           |            | 238      |           |
| 1 - 10000 gallons          | \$3.94                | per 1000 gallons |          | 565400    | \$2,227.68 |          | 492600    | \$1,940.84 |          | 515500    |

5/25/2021  
Mike Nelson

Subject: WOWSC Water + Waste-Water Revenue Model Y2019

|                            |         |                  | Revenue    | Accounts | Gallorage | Revenue    | Accounts | Gallorage | Revenue    | Accounts |
|----------------------------|---------|------------------|------------|----------|-----------|------------|----------|-----------|------------|----------|
|                            |         |                  | March      | April    | April     | April      | May      | May       | May        | June     |
| WWTP gallons               |         |                  |            |          | 127,200   |            |          | 166,900   |            |          |
| Process Meter              |         |                  |            |          | 20,800    |            |          | 22,800    |            |          |
| Water Leaks and Flush      |         |                  |            |          |           |            |          | 16,000    |            |          |
|                            |         |                  |            |          | 148,000   |            |          | 205,700   |            |          |
| <b>Water Service Rates</b> |         |                  |            |          |           |            |          |           |            |          |
| Base charge                | \$50.95 | per meter        |            |          |           |            |          |           |            |          |
| 0 gallons                  |         |                  |            | 51       | 0         |            | 49       | 0         |            | 44       |
| 0 - 2000 gallons           | 3.55    | per 1000 gallons | \$317.73   | 110      | 91800     | \$325.89   | 101      | 81500     | \$289.33   | 102      |
| 2001 - 4000 gallons        | 6.50    | per 1000 gallons | \$811.25   | 60       | 187000    | \$861.50   | 61       | 172600    | \$762.00   | 64       |
| 4001 - 8000 gallons        | 9.75    | per 1000 gallons | \$951.08   | 37       | 204000    | \$1,289.70 | 44       | 234300    | \$1,452.83 | 36       |
| 8001 - 10000 gallons       | 13.00   | per 1000 gallons | \$143.50   | 5        | 44200     | \$220.10   | 6        | 52300     | \$254.50   |          |
| 10001 - 15000 gallons      | 13.00   | per 1000 gallons | \$1,074.20 | 3        | 100,400   | \$1,170.50 | 3        | 87,100    | \$997.60   | 18       |
| 15001 or more              | 15.00   | per 1000 gallons | \$619.00   | 5        | 41,700    | \$210.80   | 9        | 96,200    | \$648.30   | 7        |
| Gallorage Total            |         |                  | \$3,916.75 | 271      | 669,100   | \$4,078.49 | 273      | 724,000   | \$4,404.55 | 271      |
| <b>Sewer Service Rates</b> |         |                  |            |          |           |            |          |           |            |          |
| Base Charge                | \$40.12 | per meter        |            | 241      |           |            | 240      |           |            | 242      |
| 1 - 10000 gallons          | \$3.94  | per 1000 gallons | \$2,031.07 |          | 607000    | \$2,391.58 |          | 660700    | \$2,603.16 |          |

5/25/2021  
Mike Nelson

Subject: WOWSC Water + Waste-Water Revenue Model Y2019

|                            |         |                  | Gallorage | Revenue    | Accounts | Gallorage | Revenue    | Accounts | Gallorage | Revenue    |  |
|----------------------------|---------|------------------|-----------|------------|----------|-----------|------------|----------|-----------|------------|--|
|                            |         |                  | June      | June       | July     | July      | July       | August   | August    | August     |  |
| WWTP gallons               |         |                  | 187,000   |            |          | 197,100   |            |          | 193,100   |            |  |
| Process Meter              |         |                  | 22,000    |            |          | 20800     |            |          | 21,100    |            |  |
| Water Leaks and Flush      |         |                  | 16,000    |            |          | 275000    |            |          |           |            |  |
|                            |         |                  | 225,000   |            |          | 492,900   |            |          | 214,200   |            |  |
| <b>Water Service Rates</b> |         |                  |           |            |          |           |            |          |           |            |  |
| Base charge                | \$50.95 | per meter        |           |            |          |           |            |          |           |            |  |
| 0 gallons                  |         |                  | 0         |            | 41       | 0         |            | 42       | 0         |            |  |
| 0 - 2000 gallons           | 3.55    | per 1000 gallons | 82900     | \$294.30   | 86       | 62400     | \$221.52   | 73       | 52800     | \$187.44   |  |
| 2001 - 4000 gallons        | 6.50    | per 1000 gallons | 193100    | \$877.55   | 63       | 181500    | \$808.05   | 55       | 159700    | \$713.55   |  |
| 4001 - 8000 gallons        | 9.75    | per 1000 gallons | 195700    | \$1,227.68 | 53       | 294400    | \$1,868.70 | 55       | 334750    | \$2,224.31 |  |
| 8001 - 10000 gallons       | 13.00   | per 1000 gallons |           | \$0.00     | 19       | 195100    | \$1,189.20 | 11       | 100300    | \$524.00   |  |
| 10001 - 15000 gallons      | 13.00   | per 1000 gallons | 193,000   | \$1,700.80 |          | 0         | \$0.00     | 15       | 391,500   | \$4,416.00 |  |
| 15001 or more              | 15.00   | per 1000 gallons | 109,100   | \$1,333.30 | 12       | 246,900   | \$2,563.50 | 15       | 150,300   | \$1,131.00 |  |
| Gallorage Total            |         |                  | 773,800   | \$5,433.62 | 274      | 980,300   | \$6,650.97 | 266      | 1,189,350 | \$9,196.30 |  |
| <b>Sewer Service Rates</b> |         |                  |           |            |          |           |            |          |           |            |  |
| Base Charge                | \$40.12 | per meter        |           |            | 241      |           |            | 243      |           |            |  |
| 1 - 10000 gallons          | \$3.94  | per 1000 gallons | 721700    | \$2,843.50 |          | 853400    | \$3,362.40 |          | 947550    | \$3,733.35 |  |

5/25/2021  
Mike Nelson

Subject: WOWSC Water + Waste-Water Revenue Model Y2019

|                            |         |                  | Accounts  | Gallage   | Revenue     | Accounts | Gallage | Revenue    | Accounts |
|----------------------------|---------|------------------|-----------|-----------|-------------|----------|---------|------------|----------|
|                            |         |                  | September | September | September   | October  | October | October    | November |
| WWTP gallons               |         |                  |           | 208,700   |             |          | 175,900 |            |          |
| Process Meter              |         |                  |           | 11,000    |             |          |         |            |          |
| Water Leaks and Flush      |         |                  |           |           |             |          |         |            |          |
|                            |         |                  |           | 219,700   |             |          | 175,900 |            |          |
| <b>Water Service Rates</b> |         |                  |           |           |             |          |         |            |          |
| Base charge                | \$50.95 | per meter        |           |           |             |          |         |            |          |
| 0 gallons                  |         |                  | 42        | 0         |             | 48       | 0       |            | 49       |
| 0 - 2000 gallons           | 3.55    | per 1000 gallons | 92        | 75040     | \$266.39    | 102      | 80100   | \$284.36   | 104      |
| 2001 - 4000 gallons        | 6.50    | per 1000 gallons | 37        | 114500    | \$525.95    | 57       | 167800  | \$754.40   | 75       |
| 4001 - 8000 gallons        | 9.75    | per 1000 gallons | 50        | 281500    | \$1,799.63  | 51       | 289200  | \$1,855.80 | 41       |
| 8001 - 10000 gallons       | 13.00   | per 1000 gallons | 8         | 72300     | \$372.70    | 9        | 81600   | \$422.70   | 4        |
| 10001 - 15000 gallons      | 13.00   | per 1000 gallons | 20        | 253,900   | \$2,402.70  | 11       | 149,600 | \$1,450.90 | 5        |
| 15001 or more              | 15.00   | per 1000 gallons | 29        | 669,700   | \$7,692.50  | 6        | 142,200 | \$1,784.10 | 4        |
| Gallage Total              |         |                  | 278       | 1,466,940 | \$13,059.87 | 284      | 910,500 | \$6,552.26 | 282      |
| <b>Sewer Service Rates</b> |         |                  |           |           |             |          |         |            |          |
| Base Charge                | \$40.12 | per meter        | 245       |           |             | 249      |         |            | 246      |
| 1 - 10000 gallons          | \$3.94  | per 1000 gallons |           | 1033340   | \$4,071.36  |          | 788700  | \$3,107.48 |          |



5/25/2021  
Mike Nelson

Subject: WOWSC Water + Waste-Water Revenue Model Y2019

|                            |  |  | Gallonage | Revenue          | Accounts | Gallonage  | Revenue    |            |            |
|----------------------------|--|--|-----------|------------------|----------|------------|------------|------------|------------|
|                            |  |  | November  | November         | December | December   | December   | Y2019      |            |
|                            |  |  |           |                  |          |            |            |            | Totals     |
| WWTP gallons               |  |  | 130,200   |                  |          | 129,000    |            | 1,900,300  |            |
| Process Meter              |  |  |           |                  |          |            |            | 187,100    |            |
| Water Leaks and Flush      |  |  |           |                  |          |            |            | 607,000    |            |
|                            |  |  | 130,200   |                  |          | 129,000    |            |            |            |
| <b>Water Service Rates</b> |  |  |           |                  |          |            |            |            | Accounts   |
| Base charge                |  |  | \$50.95   | per meter        |          |            |            |            | Totals     |
| 0 gallons                  |  |  |           |                  | 52       | 0          |            | 577        | Totals     |
| 0 - 2000 gallons           |  |  | 3.55      | per 1000 gallons | 104      | 94500      | \$335.48   | 1206       | 983540     |
| 2001 - 4000 gallons        |  |  | 6.50      | per 1000 gallons | 62       | 184600     | \$834.10   | 728        | 2138600    |
| 4001 - 8000 gallons        |  |  | 9.75      | per 1000 gallons | 43       | 223400     | \$1,365.45 | 509        | 2795650    |
| 8001 - 10000 gallons       |  |  | 13.00     | per 1000 gallons | 5        | 43200      | \$207.10   | 76         | 707300     |
| 10001 - 15000 gallons      |  |  | 13.00     | per 1000 gallons | 1        | 20,500     | \$221.60   | 82         | 1,397,200  |
| 15001 or more              |  |  | 15.00     | per 1000 gallons | 5        | 154,500    | \$1,862.60 | 98         | 2,163,300  |
| Gallonage Total            |  |  | 775,900   | \$5,584.67       | 272      | 720,700    | \$4,826.33 | 3,276      | 10,185,590 |
| <b>Sewer Service Rates</b> |  |  |           |                  |          |            |            |            |            |
| Base Charge                |  |  | \$40.12   | per meter        | 245      |            |            | 2908       | sum        |
| 1 - 10000 gallons          |  |  | \$3.94    | per 1000 gallons | 633500   | \$2,495.99 | 605700     | \$2,386.46 | 8,425,090  |

