

**ORDER RATIFYING THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
REGIONAL WATER AND WASTEWATER SYSTEMS RATES, FEES AND CHARGES
FOR WATER AND WASTEWATER SERVICE**

THE STATE OF TEXAS

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COUNTY OF HAYS

WHEREAS, West Travis County Public Utility Agency (the "Agency") is a public utility agency created by concurrent ordinance of Hays County (the "County"), the City of Bee Cave (the "City") and West Travis County Municipal Utility District No. 5 (the "District") (collectively referred to as the "Participating Entities" or individually as a "Participating Entity"); and

WHEREAS, the governing bodies of the Participating Entities authorized and approved the creation of the Agency as a separate agency and political subdivision of the State of Texas to accomplish the specific public purpose of planning, financing, acquiring, constructing, owning, operating or maintaining facilities necessary for the collection, transportation, treatment, and disposal of sewage and the conservation, storage, transportation, treatment, and distribution of water for the Participating Entities pursuant to Chapter 572 of the Local Government Code; and

WHEREAS, the Agency adopted the West Travis County Public Utility Agency Regional Water and Wastewater Systems Schedule for Rates, Fees, Charges and Terms and Conditions of Retail Treated Water and Wastewater Services as amended (the "Agency Rate Tariff") and has also adopted rates for effluent, raw water, wholesale water and wholesale wastewater services; and

WHEREAS, the governing bodies of the Participating Entities have previously authorized and approved the Acquisition, Water Supply, Wastewater Treatment and Conditional Purchase Agreement (the "Participant Agreement") with the Agency; and

WHEREAS, in accordance with Section 7.03(b) of the Participant Agreement, the County, a political subdivision of the State of Texas, as a Participating Entity, desires to approve and ratify the rates, fees and charges adopted by the Agency.

NOW THEREFORE, it is ordered by the Hays County Commissioners Court of Hays County, Texas as follows:

Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

Section 2: The rates, fees and charges adopted by the Agency as shown in Attachment A, and the rates for wholesale water, wholesale wastewater, effluent irrigation and raw water irrigation customers adopted by the Agency as shown in Attachment B are hereby ratified and approved by the Commissioners Court of Hays County, Texas in accordance with Section 7.03(b) of the Participant Agreement.

THIS ORDER RATIFYING THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY REGIONAL WATER AND WASTEWATER SYSTEMS RATES, FEES AND CHARGES FOR WATER AND WASTEWATER SERVICE PASSED AND APPROVED THIS ___ DAY OF JUNE 2013

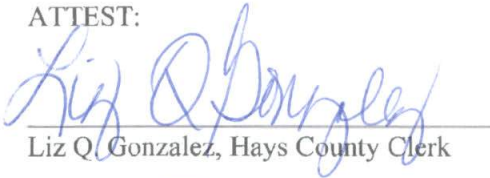
HAYS COUNTY



Dr. Bert Cobb, M.D.
Hays County Judge

Date: 6-18-13

ATTEST:



Liz Q. Gonzalez, Hays County Clerk



ATTACHMENT A

**West Travis County Public Utility Agency
Water Impact Fees and Rates by Rate District**

(a) Water Impact Fee (per LUE):

Effective Water Impact Fee (Effective as of November 1, 2012*):								
	Highway 71 Water System Service Area		Highway 290 Water System Service Area					
Fee per LUE	\$	5,992	\$	8,809				
Historical Water Impact Fee:								
	Bee Cave District		Bee Cave South District	Homestead/ Meadow Fox District	290/HPR District			
Fee per LUE	\$	4,120	\$	5,180	\$	4,120	\$	5,180

The impact fee listed above is per LUE, in accordance with the provisions of Section 3.0.

* See Tariff Section 3.03(h) for instances where the Historical Water Impact Fee is still applicable.

(b) Minimum Monthly Charge :

(1) Residential (Excluding Multi-Unit Residential):

Meter Size	Bee Cave South		Homestead/ Meadow Fox					
	Bee Cave District	District	District	290/HPR District				
5/8"	\$	31.65	\$	31.65	\$	57.50	\$	57.50
3/4"	\$	47.50	\$	47.50	\$	57.50	\$	57.50
1"	\$	79.15	\$	79.15	\$	86.25	\$	86.25
1 1/2"	\$	158.25	\$	158.25	\$	143.75	\$	143.75
2"	\$	253.20	\$	253.20	\$	287.50	\$	287.50
3"	\$	506.40	\$	506.40	\$	506.40	\$	506.40
4"	\$	791.25	\$	791.25	\$	791.25	\$	791.25
6"	\$	1,582.50	\$	1,582.50	\$	1,582.50	\$	1,582.50
8"	\$	2,532.00	\$	2,532.00	\$	2,532.00	\$	2,532.00
12"	\$	3,639.75	\$	3,639.75	\$	3,639.75	\$	3,639.75

(2) Non-residential with 5/8" and 3/4" Meters (excluding Multiple Use Facilities):

Meter Size	Bee Cave South		Homestead/ Meadow Fox					
	Bee Cave District	District	District	290/HPR District				
5/8"	\$	31.65	\$	31.65	\$	57.50	\$	57.50
3/4"	\$	47.50	\$	47.50	\$	57.50	\$	57.50

ATTACHMENT A

**West Travis County Public Utility Agency
Water Impact Fees and Rates by Rate District**

(3) Non-Residential with 1" and Greater Meters (Excluding Multiple Use Facilities):

Meter Size	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
1"	\$ 100.75	\$ 100.75	\$ 108.25	\$ 108.25
1 1/2"	\$ 198.00	\$ 198.00	\$ 207.00	\$ 207.00
2"	\$ 264.00	\$ 264.00	\$ 273.00	\$ 273.00
3"	\$ 633.60	\$ 633.60	\$ 642.60	\$ 642.60
4"	\$ 999.00	\$ 999.00	\$ 1,008.00	\$ 1,008.00

(4) Multi-unit Residential and Multiple Use Facilities

Meter Size	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
5/8"	\$ 31.65	\$ 31.65	\$ 57.50	\$ 57.50
3/4"	\$ 47.50	\$ 47.50	\$ 57.50	\$ 57.50
1"	\$ 79.15	\$ 79.15	\$ 86.25	\$ 86.25
1 1/2"	\$ 158.25	\$ 158.25	\$ 143.75	\$ 143.75
2"	\$ 253.20	\$ 253.20	\$ 287.50	\$ 287.50
3"	\$ 506.40	\$ 506.40	\$ 506.40	\$ 506.40
4"	\$ 791.25	\$ 791.25	\$ 791.25	\$ 791.25
6"	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50
8"	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00
12"	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75

(5) Irrigation

Meter Size	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
5/8"	\$ 31.65	\$ 31.65	\$ 57.50	\$ 57.50
3/4"	\$ 47.50	\$ 47.50	\$ 57.50	\$ 57.50
1"	\$ 79.15	\$ 79.15	\$ 86.25	\$ 86.25
1 1/2"	\$ 158.25	\$ 158.25	\$ 143.75	\$ 143.75
2"	\$ 253.20	\$ 253.20	\$ 287.50	\$ 287.50
3"	\$ 506.40	\$ 506.40	\$ 506.40	\$ 506.40
4"	\$ 791.25	\$ 791.25	\$ 791.25	\$ 791.25
6"	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50
8"	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00
12"	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75

ATTACHMENT A

**West Travis County Public Utility Agency
Water Impact Fees and Rates by Rate District**

(6) Fire Hydrant Meters

Meter Size	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
5/8"	\$ 31.65	\$ 31.65	\$ 57.50	\$ 57.50
3/4"	\$ 47.50	\$ 47.50	\$ 57.50	\$ 57.50
1"	\$ 79.15	\$ 79.15	\$ 86.25	\$ 86.25
1 1/2"	\$ 158.25	\$ 158.25	\$ 143.75	\$ 143.75
2"	\$ 253.20	\$ 253.20	\$ 287.50	\$ 287.50
3"	\$ 506.40	\$ 506.40	\$ 506.40	\$ 506.40
4"	\$ 791.25	\$ 791.25	\$ 791.25	\$ 791.25
6"	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50	\$ 1,582.50
8"	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00	\$ 2,532.00
12"	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75	\$ 3,639.75

(c) Volumetric Charge (per thousand gallons used) :

(1) Residential (Excluding Multi-Unit Residential):

Gallons	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
0-10,000	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80
10,001-20,000	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
20,001-25,000	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
25,001-50,000	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
50,001 and above	\$ 10.20	\$ 10.20	\$ 10.20	\$ 10.20

(2) Non-residential with 5/8" and 3/4" Meters (excluding Multiple Use Facilities):

Gallons	Homestead/ Meadow Fox			
	Bee Cave District	Bee Cave South District	Meadow Fox District	290/HPR District
0-10,000	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80
10,001-20,000	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
20,001-25,000	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
25,001-50,000	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
50,001 and above	\$ 10.20	\$ 10.20	\$ 10.20	\$ 10.20

ATTACHMENT A

**West Travis County Public Utility Agency
Water Impact Fees and Rates by Rate District**

(3) Non-Residential with 1" and Greater Meters (Excluding Multiple Use Facilities):

	Gallons	Homestead/ Bee Cave South Meadow Fox District District District			
		Bee Cave District	District	District	290/HPR District
1"	0-55,000	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
	55,001 and above	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
1 1/2"	0-75,000	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
	75,001 and above	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
2" 3" 4"	0-100,000	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
	100,001 and above	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10

(4) Multi-unit Residential and Multiple Use Facilities

Gallons	Homestead/ Bee Cave South Meadow Fox District District District			
	Bee Cave District	District	District	290/HPR District
1 and above	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50

(5) Irrigation

Gallons	Homestead/ Bee Cave South Meadow Fox District District District			
	Bee Cave District	District	District	290/HPR District
0-10,000	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80
10,001-20,000	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
20,001-25,000	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
25,001-50,000	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
50,001 and above	\$ 10.20	\$ 10.20	\$ 10.20	\$ 10.20

(6) Fire Hydrant Meter

Gallons	Homestead/ Bee Cave South Meadow Fox District District District			
	Bee Cave District	District	District	290/HPR District
0-10,000	\$ 3.80	\$ 3.80	\$ 3.80	\$ 3.80
10,001-20,000	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
20,001-25,000	\$ 6.00	\$ 6.00	\$ 6.00	\$ 6.00
25,001-50,000	\$ 8.10	\$ 8.10	\$ 8.10	\$ 8.10
50,001 and above	\$ 10.20	\$ 10.20	\$ 10.20	\$ 10.20

ATTACHMENT A

**West Travis County Public Utility Agency
Water Impact Fees and Rates by Rate District**

(d) Remittance Fees

(1) City of Bee Cave: Upon the adoption of a resolution by the City of Bee Cave City Council, each customer within the corporate limits of the City of Bee Cave (as depicted in Appendix A) shall be charged a sum equivalent of up to five percent (5%) of the charges in Subsection (b) (1)-(5) above and any amounts collected under the Water Conservation and Drought Contingency Surcharges. WTCPUA shall remit amounts collected under this Subsection (c) (1) to the City of Bee Cave on a quarterly basis.

(2) Hays County: In accordance with the agreement between PUA and Hays County for use of country rights-of-ways, each Customer to who PUA provides retail water service in the Bee Cave south District (as depicted in Appendix A) shall be charged a sum equivalent to six percent (6%) of the charges in Subsections (b) and (c) above, as applicable.

(e) Subsequent User Fees (in addition to impact fees)

- (1) South Madrone Trail Water: \$15,500 Per LUE
- (2) Tanglewood West Water: \$5,250 Per LUE

(f) Pro Rata Fee (in addition to impact fees, per LUE)

Fee	Bee Cave District	Bee Cave South District	Homestead/ Meadow Fox District	290/HPR District
per LUE	N/A	N/A	\$ 6,500.00	N/A

ATTACHMENT A

**West Travis County Public Utility Agency
Wastewater Impact Fees and Rates by Rate District**

(a) Wastewater Impact Fee (per LUE):

Effective Wastewater Impact Fee (Effective as of November 1, 2012*):		
		System-wide
Fee per LUE	\$	11,500

Historical Wastewater Impact Fee:

		System-wide
Fee per LUE	\$	5,250

The impact fee listed above is per LUE, calculated in accordance with the provisions of Section 3.0.

* See Tariff Section 4.02(g) for instances where the Historical Wastewater Impact Fee is still applicable.

(b) Minimum Monthly Charge :

(1) Residential (Excluding Multi-Unit Residential):

		Bee Cave District
Monthly Fee	\$	40.00

(2) Non-residential (excluding Multiple Use Facilities) (Per LUE):

Meter Size	Bee Cave District	
Monthly Fee	\$	65.00

(3) Multi-unit Residential and Multiple Use Facilities (Per LUE)

Meter Size	Bee Cave District	
Monthly Fee	\$	60.00

(c) Volumetric Charge (per thousand gallons used) :

(1) Residential (Excluding Multi-Unit Residential):

Gallons	Bee Cave District	
1 and above	\$	4.87

(2) Non-residential (excluding Multiple Use Facilities):

ATTACHMENT A

**West Travis County Public Utility Agency
Wastewater Impact Fees and Rates by Rate District**

Gallons		Bee Cave District	
1 and above	\$		6.25

(3) Multi-unit Residential and Multiple Use Facilities

ATTACHMENT A

**West Travis County Public Utility Agency
Wastewater Impact Fees and Rates by Rate District**

Gallons	Bee Cave District
1 and above	\$ 6.25

WTCPUA will calculate residential wastewater flow for each customer based on the calculated average of monthly potable water metered and billed to the Customer during the previous December, January and February. If a residential Customer does not have an acceptable history of water usage during the preceeding December, January and February, the Customer's monthly wastewtaer bill shall be calculated upon: (1) the Customer's current monthly water usage; or (2) on the basis of 10,000 gallons water usage per month, whichever is less.

WTCPUA* will calculate commercial wastewater flow for each Non-residential, Multi-unit Residential and Multiple Use Facility based on actual potable water consumption.

(d) Remittance Fees

(1) City of Bee Cave: Upon the adoption of a resolution by the City of Bee Cave City Council, each customer within the corporate limits of the City of Bee Cave (as depicted in Appendix A) shall be charged a sum equivalent of up to five percent (5%) of the charges in Subsection (b) (1)-(5) above and any amounts collected under the Water Conservation and Drought Contingency Surcharges. WTCPUA shall remit amounts collected under this Subsection (c) (1) to the City of Bee Cave on a quarterly basis.

(e) Grinder Pump Surcharge (per Month)

(1) \$25.00 per month applicable to a Customer who has not executed a Grinder Pump Service Agreement by which the Customer assumes the responsibility for maintenance of the Grinder Pump.

(f) Wastewater Strength Surcharge

(1) Customer shall pay a surcharge calculated from the formula provided in the Schedule for discharges into the PUA's System that exceed the Requisite Levels as provided in that Section. The unit charge for BOD (factor A) shall be set at \$0.49 per pound, and the unit charge for TSS (factor B) shall be \$0.1049 per pound.

ATTACHMENT A

West Travis County Public Utility Agency Miscellaneous Fees and Charges

(a) Failure to Trim or Remove Landscaping as described in Section 2.07 - Right of Access

Actual cost to the WTCPUA as invoiced by the WTCPUA's contractor.

(b) Violation of Terms of Tariff as described in Section 2.14 - Penalties

First Offense	\$1,000 or actual cost, whichever is greater
Second Offense	\$1,500 or actual cost, whichever is greater

(c) Deposits as described in Section 3.01 and 3.03

Fire Hydrant Meter	\$2,000.00
5/8" or 3/4" meter	\$100.00
1" meter	\$200.00
1-1/2" meter	\$375.00
2" meter	\$600.00
3" meter	\$1,200.00
4" meter	\$1,800.00
6" meter	\$2,400.00
8" meter	\$3,600.00
12" meter	\$8,000.00

(d) Application Fee as described in Sections 3.03 and 4.02

Non-Refundable Application Fee	\$	50.00
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(e) Tap Fees as described in Section 3.03 and 4.02

Standard Connection, Short Tap, per LUE	\$	800.00 plus cost of bore
6-Month Extension Fee, per LUE	\$	75.00
Meter Drop-in Fee, per LUE	\$	200.00 or actual cost, whichever is greater

(f) Late Fees as described in Section 5.02

10% of outstanding amount

(g) Returned Check Fee as described in Section 5.03

	\$	50.00
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(h) Meter Testing Fees as described in Section 5.04

Meter Testing Fee	\$	100.00 or actual cost, whichever is greater
Meter Re-read Fee	\$	50.00

(i) Subtractive Meter Reading Fee as described in Section 5.05

	\$	25.00
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(j) Equipment Damage Fee as described in Section 5.06

	\$	50.00 or actual cost, whichever is greater
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(k) Reconnection Fee as described in Section 5.07

Reconnection Fee, during regular hours	\$	50.00
Reconnection Fee, after hours	\$	150.00

(l) Transfer Fee as described in Section 5.08

	\$	30.00
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(m) Disconnection Fee as described in Section 5.09

	\$	100.00 For 5/8" or 3/4" meters
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(n) Same day service surcharge as described in Section 5.10

	\$	50.00
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(o) After hour service surcharge as described in Section 5.10

	\$	150.00
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(p) Drought Contingency or Conservation Plan violation fees as described in Section 5.11

Second Violation	\$	200.00
Third Violation	\$	700.00
Reconnection Charge after Fourth Violation	\$	500.00
Additional Deposit Following Fourth Violation	\$	500.00

ATTACHMENT A

West Travis County Public Utility Agency Miscellaneous Fees and Charges

(q) Wastewater quality testing fee as described in Section 5.12 Actual cost for testing

(r) Project administration, review and inspection fees as described in Section 5.13

Engineer's Estimate of Total Cost of Construction Project	Percentage of Cost
\$0-\$4,000.00 Minimum Fee	\$ 300.00 or actual cost, whichever is greater
\$4,001 - \$200,000.00	7.00%
\$200,000.01 - \$250,000.00	6.75%
\$250,000.01 - \$300,000.00	6.50%
\$300,000.01 - \$350,000.00	6.25%
\$350,000.01 - \$400,000.00	6.00%
\$400,000.01 - \$450,000.00	5.75%
\$450,000.01 - \$550,000.00	5.50%
\$550,000.01 - \$650,000.00	5.25%
\$650,000.01 - \$750,000.00	5.00%
\$750,000.01 - \$1,000,000.00	4.75%
\$1,000,000.01 - \$1,250,000.00	4.50%
\$1,250,000.01 - \$1,500,000.00	4.25%
\$1,500,000.01 - \$2,000,000.00	4.00%
\$2,000,000.01 - \$2,500,000.00	3.75%
\$2,500,000.01 - \$3,000,000.00	3.50%
\$3,000,000.01 - \$5,000,000.00	3.25%
MORE THAN - \$5,000,000.01	3.00%

(s) Engineering review fees as described in Section 5.14 \$ 500.00 or actual cost, whichever is greater

(t) Legal review deposit as described in Section 5.15 \$ 5,000.00 or actual cost, whichever is greater

(u) Service availability review fees as described in Section 5.16 \$ 40.00 or actual cost, whichever is greater

(v) Environmental compliance review fees as described in Section 5.17

Actual cost to WTCPUA with initial deposit of \$1,500. Any unused funds to be reimbursed to applicant. Additional deposit may be required depending on time and scope of work.

(w) Clearing fees as described in Section 5.18 \$ 25.00 or actual cost, whichever is greater

(x) Drought Surcharge as described in Section 5.21

Stage 1 Drought Stage - Gallonage Charges Will Remain Unchanged.

Stage 2 Drought Stage – All Gallonage Charges for Each Water Use Tier and for all Retail Rate Districts and Customer Classes, Including Wholesale Customers, may increase up to 20.0 Percent Over Posted Tariff Rates.

Stage 3 Drought Stage – All Gallonage Charges for Each Water Use Tier and for all Retail Rate Districts and Customer Classes, Including Wholesale Customers, may increase up to 35.0 Percent Over Posted Tariff Rates.

Stage 4 Drought Stage – All Gallonage Charges for Each Water Use Tier and for all Retail Rate Districts and Customer Classes, Including Wholesale Customers, may increase up to 50.0 Percent Over Posted Tariff Rates.

(y) Annual Water Capacity Reservation Fee as described in Section 3.04

SH 71 Water System	\$ 489.39
U.S. Highway 290 Water System	\$ 569.12

(z) Annual WasteWater Capacity Reservation Fee as described in Section 4.03 \$ 512.00

ATTACHMENT B

West Travis County Public Utility Agency

Wholesale Water Minimum Charge	Current
CRYSTAL MOUNTAIN HOA, INC.	\$756.53
DEER CREEK RANCH WATER CO., LLC	\$2,887.50
DRIPPING SPRINGS WSC	\$5,252.94
EANES ISD	\$202.13
HAYS COUNTY WCID #1	\$8,604.75
REUNION RANCH WCID	\$3,684.45
SENNA HILLS MUD #1	\$4,308.15
BARTON CREEK WEST WSC	\$2,502.89
HAYS COUNTY WCID #2	\$7,524.83
CITY OF DRIPPING SPRINGS	\$8,085.00
LAZY NINE MUD #1A	\$11,781.00
TRAVIS COUNTY MUD #12	\$10,891.65

Wholesale Water Volumetric Rate	Current
Customers With Own Raw Water	\$2.77
Customers Using PUA Raw Water	\$3.30

Wholesale Wastewater	Current
Minimum Charge	\$2,500.00
Volumetric Charge	\$3.25

Effluent	Current
Volumetric Charge	\$3.14



Water Resources Management, LLC

October 12, 2012

Mr. Larry Fox
President
West Travis County Public Utility Agency
12117 Bee Cave Road, Building 3, Suite 120
Bee Cave, Texas 78738

Mr. Fox,

Water Resources Management, LLC (WRM) is pleased to have the opportunity to perform a cost of service and rate design study for the West Travis County Public Utility Agency (WTC PUA). This letter is intended to summarize the results of that analysis. WRM has also provided the Agency with a detailed report of the findings under a separate cover which provides a summary of the methodology utilized, assumptions made, and the findings.

Report Goals and Objectives

- 1) Isolate revenue requirements for the water and wastewater utility;
- 2) Functionalize costs;
- 3) Allocate costs to retail and wholesale customers;
- 4) Design wholesale rates that recover wholesale cost of service.

Project Work Plan

- 1) Determine Agency current and future revenue requirements for five-year study period;
- 2) Isolate retail only costs of service and remove from analysis;
- 3) Functionalize costs to cost categories (base costs, extra-capacity costs, and customer costs) based on the function related to that particular cost category;
- 4) Allocate those costs to customer classifications based on the customers' historical usage patterns;
- 5) Project customer growth, and billing units into the five-year study period;
- 6) Design rates that fully recover the Agency's costs associated with providing service.

Findings

- 1) Base year total revenue requirement for the water and wastewater utility was \$13,935,691;
- 2) Total Agency water revenue requirement was determined to be \$10,962,457;
- 3) Total Agency wastewater revenue requirement was determined to be \$2,973,235;
- 4) Revenue requirement for water wholesale customers (before raw water) was determined to be \$3,340,366;
- 5) Agency projected wholesale water revenues at current rates are \$2,549,898;
- 6) Agency is projected to under-recover from wholesale water customers by 31% at current wholesale water rates (-\$790,468);