

2004 DWU - WATER & SEWER RATES 25

## Jim Pierce

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**From:** Mike Murphy  
**Sent:** Thursday, July 29, 2004 9:18 AM  
**To:** Jim Pierce  
**Subject:** RE: DWU Rate of Flow Controller

Approximate date is August 15th, 2005, and we are currently looking at dropping to 9 - 9.5 MGD. As we approach the due date we will be more accurate and zero in on the target amount.

### *Mike*

Michael E. Murphy, PE

Director of Public Works

(972) 450-2878 Work

(214) 215-5280 Mobile

(972) 450-2837 Fax

*E-Mail: mmurphy@ci.addison.tx.us*

-----Original Message-----

**From:** Jim Pierce  
**Sent:** Wednesday, July 28, 2004 4:44 PM  
**To:** Mike Murphy  
**Subject:** DWU Rate of Flow Controller

Mike: Randy would like to know the date we plan to reduce our ROF with DWU, and the new rate of flow amount we will request. Thanks,

Jim Pierce, P.E.  
Assistant Public Works Director  
P.O. Box 9010  
Addison, TX 75001-9010  
972-450-2879

**WATER PURCHASES**  
City of Dallas

	Actual 2000-01	Estimated 2001-02	Budget 2002-03
Demand Fee:			
Rate per 1 million gallons per day (MGD)	\$125,875	\$123,190	\$135,000
Addison's average demand (MGD)	11.00	11.00	11.50
Calculated demand fee	\$1,384,600	\$1,355,100	\$1,552,500
Volume charge per 1,000 gallons	\$ 0.3458	\$ 0.3575	\$ 0.3109
Addison's annual purchase volume (1,000 gallons)	2,113,935	2,151,600	2,185,000
Calculated volume fee	\$ 731,000	\$ 789,200	\$ 679,300
Meter and other charges	8,100	8,100	8,100
Total water cost	\$ 2,123,700	\$ 2,132,400	\$ 2,239,900

**WATER BILLINGS**  
Town of Addison Customers

Sale of water as % of purchases	91.87%	91.50%	91.00%
Annual volume sold (1,000 gallons)	1,942,072	1,968,714	1,988,350
Rate per 1,000 gallons	\$1.652	\$1.660	\$1.653
Annual sales	\$3,208,300	\$3,268,100	\$3,286,700

**SEWER CHARGES**

Cities of Dallas, Farmers Branch, and Carrollton

Volume effluent as % of water purchased	66.00%	69.00%	59.00%
Annual effluent volume (1,000 gallons)	1,395,197	1,484,604	1,289,150
Percentage to Dallas	40.00%	40.00%	39.00%
Calculated volume (1,000 gallons)	558,079	593,842	502,769
Dallas rate per 1,000 gallons	\$1.3490	\$1.4760	\$1.5700
Annual Dallas charges	\$752,848	\$876,510	\$789,347
Percentage to TRA	59.50%	59.00%	60.00%
Calculated volume (1,000 gallons)	830,142	875,916	773,490
TRA rate per 1,000 gallons	\$1.0300	\$1.0200	\$1.0200
Annual FB/TRA charges	\$855,047	\$893,435	\$788,960
Percentage to Farmers Branch (Inwood)	0.75%	1.00%	1.00%
Calculated volume (1,000 gallons)	10,464	14,846	12,892
Carrollton rate per 1,000 gallons	\$1.3200	\$1.3000	\$1.2500
Annual Carrollton charges	\$13,812	\$19,300	\$16,114
Total annual sewer charges	\$1,621,707	\$1,789,245	\$1,594,421
Total annual sewer billed	\$3,638,136	\$3,627,600	\$3,681,100
Average fee per 1,000 gallons	\$2.61	\$2.44	\$2.86
Sewer billed as % of water billed.	113.4%	111.0%	112.0%

?  
Look at  
inc.

Notes: Remember calculated annual sewer charges do not include \$50,000 in sewer penalties levied by Dallas.

**WHOLESALE WASTEWATER CUSTOMER DATA**

(for Calendar Year 2003)

**ADDISON - Metered**

Total number of accounts feeding  
into Dallas' wastewater system

<u>Classification of Accounts</u>	<u>Number</u>	<u>Percentage</u>
Residential	<u>179</u>	<u>44</u>
Multi-Family	<u>70</u>	<u>17</u>
Business/Commercial	<u>140</u>	<u>35</u>
Other	<u>15</u>	<u>4</u>
<b>TOTAL</b>	<u>404</u>	<u>100%</u>

**WINTER MONTH WATER CONSUMPTION DATA**

(for Winter 2003-2004)

**Water Consumption (in 1000 gallons)**

<u>Customer Class</u>	<u>December 03</u>	<u>January 04</u>	<u>February 04</u>	<u>March 04</u>	<u>TOTAL</u>
Residential	<u>622</u>	<u>669</u>	<u>599</u>	<u>682</u>	<u>2572</u>
Multi-Family	<u>8658</u>	<u>7907</u>	<u>9384</u>	<u>8480</u>	<u>34429</u>
Business/Commercial	<u>7186</u>	<u>6375</u>	<u>7623</u>	<u>7660</u>	<u>28844</u>
Other <i>school/Hotel</i>	<u>2138</u>	<u>1905</u>	<u>2215</u>	<u>2524</u>	<u>8782</u>
<b>TOTAL</b>	<u>18604</u>	<u>16856</u>	<u>19821</u>	<u>19346</u>	<u>74627</u>

AVERAGE WINTER MONTH 18,657 (x1000) GALLONS  
(total divided by 4)

SUBMITTED BY: *Jerry Jones*

DATE: 4-14-04

Please Mail Back To:  
Dallas Water Utilities  
Wholesale Services Division  
1500 Marilla - 4AS  
Dallas TX 75201

**WHOLESALE WASTEWATER CUSTOMER DATA**

(for Calendar Year 2003)

**ADDISON - Unmetered**Total number of accounts feeding  
into Dallas' wastewater system

<u>Classification of Accounts</u>	<u>Number</u>	<u>Percentage</u>
Residential	<u>218</u>	<u>82</u>
Multi-Family	<u>0</u>	<u>0</u>
Business/Commercial	<u>47</u>	<u>17</u>
Other	<u>1</u>	<u>1</u>
<b>TOTAL</b>	<b><u>266</u></b>	<b><u>100</u></b>

**WINTER MONTH WATER CONSUMPTION DATA**

(for Winter 2003-2004)

**Water Consumption (in 1000 gallons)**

<u>Customer Class</u>	<u>December 03</u>	<u>January 04</u>	<u>February 04</u>	<u>March 04</u>	<u>TOTAL</u>
Residential	<u>4547</u>	<u>3998</u>	<u>3726</u>	<u>2667</u>	<u>14938</u>
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Business/Commercial	<u>3847</u>	<u>3465</u>	<u>3611</u>	<u>3280</u>	<u>14203</u>
Other <i>school</i>	<u>233</u>	<u>199</u>	<u>179</u>	<u>131</u>	<u>742</u>
<b>TOTAL</b>	<b><u>8627</u></b>	<b><u>7662</u></b>	<b><u>7516</u></b>	<b><u>6078</u></b>	<b><u>29883</u></b>

AVERAGE WINTER MONTH 7471 (x1000) GALLONS  
(total divided by 4)

SUBMITTED BY: *Jerry*DATE: 4-14-04

Please Mail Back To:  
Dallas Water Utilities  
Wholesale Services Division  
1500 Marilla - 4AS  
Dallas TX 75201

## 2002 WHOLESALE COST OF SERVICE STUDY SUMMARY OF RATE CHANGES

### Untreated Water

Current Interruptible Rate	\$0.2297 per 1000 gallons
Proposed Interruptible Rate	\$0.2199 per 1000 gallons

Change (4.27%)

Current Non-Interruptible Rate	\$0.4194 per 1000 gallons
Proposed Non-Interruptible Rate	\$0.3922 per 1000 gallons

Change (6.49%)

### Treated Water

Current Volume Rate	\$0.3575 per 1000 gallons
Proposed Volume Rate	\$0.3105 per 1000 gallons

Change (13.15%)

Current Demand Charge	\$123,190 per MGD
Proposed Demand Charge	\$136,614 per MGD

Change 10.90%

Current Flat Rate	\$1.1274 per 1000 gallons
Proposed Flat Rate	\$1.1643 per 1000 gallons

Change 3.27%

### Wastewater

Current Rate	\$1.4760 per 1000 gallons
Proposed Rate	\$1.5948 per 1000 gallons

Change 8.05%

Current I/I Adjustment Factor	1.168
Proposed I/I Adjustment Factor	1.198

Change 2.57%

Addison

Jim Pierce

972.450.2837

7-7-2000

## Summary of Rate Changes

### Untreated Water

Current Interruptible Rate \$0.2324 per 1000 gallons  
Proposed Interruptible Rate \$0.2371 per 1000 gallons

Change 2.0%

Current Non-interruptible Rate \$0.4118 per 1000 gallons  
Proposed Non-interruptible Rate \$0.4166 per 1000 gallons

Change 1.2%

### Treated Water

Current Volume Rate \$0.3355 per 1000 gallons  
Proposed Volume Rate \$0.3458 per 1000 gallons

Change 3.0%

Current Demand Charge \$123,866 per MGD ROFC  
Proposed Demand Charge \$125,875 per MGD ROFC / year

Change 1.6%

Current Flat Rate \$1.1097 per 1000 gallons  
Proposed Flat Rate \$1.1325 per 1000 gallons

Change 2.0%

### Wastewater

Current Rate \$1.4010 per 1000 gallons  
Proposed Rate \$1.3490 per 1000 gallons

Change -3.9%

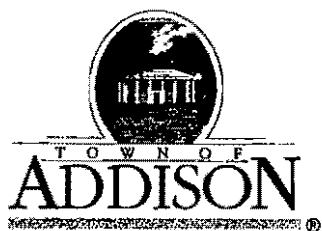
Current I/I Adjustment Factor 1.149  
Proposed I/I Adjustment Factor 1.143

Change -0.5%

← use

↔ use

← use



**PUBLIC WORKS DEPARTMENT**

Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-2871

16801 Westgrove

August 11, 1999

Ms. Tonia Lichtenberg  
Dallas Water Utilities  
1500 Marilla Room 4 AN  
Dallas, Texas 75201

Dear Tonia:

Please increase the rate of flow (ROF) controller at the Celestial Reservoir an additional 300,000 gpd resulting in a total setting of 8,800,000 gpd. Your assistance with this issue is greatly appreciated.

Sincerely,

John R. Baumgartner, P.E.  
Director of Public Works

cc: Randy Moravec  
Mike Murphy  
Keith Thompson  
Ron Whitehead





**PUBLIC WORKS DEPARTMENT**

Post Office Box 9010 Addison, Texas 75001-9010

(972) 450-2871

16801 Westgrove

September 24, 1999

City of Dallas - Water Utilities Department  
Wholesale Services Division  
City Hall - 1500 Marilla  
Room 4AN  
Dallas, Texas 75201

ATTN: Randy Stalnaker / Interim Manager

**Re: 1999 Annual Statement of Significant Users.**

Dear Mr. Stalnaker:

In an effort to accurately identify any significant user the Town of Addison may have, I would like to request clarification for **Item (a) Discharges 25,000 or more gallons of wastewater per day into the wastewater treatment system, excluding cooling water used in air conditioning.**

I need to know if this item includes apartment complexes, high-rise office buildings and/or hotels. Once I have this information I will promptly complete the 1999 annual statement.

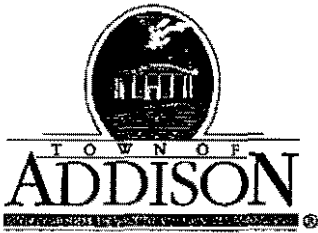
Please feel free to call me if you have any questions.

Respectfully,

Michael E. Murphy, PE  
Assistant Director / Public Works

Xc: Keith Thompson /Addison

*Mysa's file*



**PUBLIC WORKS DEPARTMENT**

(972) 450-2871

Post Office Box 9010 Addison, Texas 75001-9010

16801 Westgrove

February 18, 1999

City of Dallas - Water Utilities Department  
Wholesale Services Division  
City Hall - 1500 Marilla  
Room 4AN  
Dallas, Texas 75201  
ATTN: Randy Stalnaker, Interim Manager

Re: Statement of Annual Water Use and Requirements.

Dear Mr. Stalnaker,

Please find attached a completed version of the "Statement of Annual Water Use and Requirements".

If you have any questions or require any additional information, please contact me at (972) 450-2878.

Respectfully,

Michael E. Murphy, PE  
Assistant Director / Public Works

cc. John Baumgartner, PE, Director of Public Works

**DALLAS WATER UTILITIES DEPARTMENT  
STATEMENT OF ANNUAL WATER USE AND REQUIREMENTS  
YEARS 1998 AND 1999**

**TOWN OF ADDISON - TREATED WATER**

DATA:	PRESENT ROFC SETTING	MAXIMUM CAPACITY OF METER/ROFC	PIPELINE CAPACITY (IF APPLICABLE)	PRESSURE DISTRICT			
				CENTRAL LOW	SOUTH HIGH	RED BIRD HIGH	NORTH HIGH
Surveyor	0.8 MGD	4.0 MGD	-	x			
Celestial	8.5 MGD	20.0 MGD	-	x			
	9.3 MGD	24.0 MGD					

FISCAL YEAR (OR PERIOD) ENDED SEPTEMBER 30, 1998  
(OCTOBER 1, 1997 - SEPTEMBER 30, 1998)

	PROVIDED BY DALLAS	FROM OTHER SOURCES	TOTAL
TOTAL WATER CONSUMPTION (TOTAL FLOW INTO DISTRIBUTION SYSTEM)	1,947,263,000 GALLONS	----- GALLONS	1,947,263,000 GALLONS

CALENDAR YEAR ENDED DECEMBER 31, 1998

	PROVIDED BY DALLAS	FROM OTHER SOURCES	TOTAL
TOTAL WATER CONSUMPTION (TOTAL FLOW INTO DISTRIBUTION SYSTEM)	1,894,229,000 GALLONS	----- GALLONS	1,894,229,000 GALLONS
MAXIMUM MONTH CONSUMPTION: (MONTH: <u>August</u> )	281,645,000 GALLONS	----- GALLONS	281,645,000 GALLONS
MAXIMUM DAY CONSUMPTION: (DAY: <u>Thurs (ROF)</u> )	9,300,000 GALLONS	----- GALLONS	9,300,000 GALLONS
MAXIMUM HOUR CONSUMPTION: (DATE: <u>6/11/98</u> )	427,625 GALLONS	----- GALLONS	427,625 GALLONS
NUMBER OF WATER METER CONNECTIONS BEING SERVED DALLAS WATER - AS OF JUNE 1, 1998			3124
ESTIMATED POPULATION BEING SERVED DALLAS WATER - AS OF JUNE 1, 1998			11,000

FORECAST FOR CALENDAR YEAR 1999

	TO BE PROVIDED BY DALLAS	TO BE PROVIDED BY OTHER SOURCES	TOTAL
ESTIMATED ANNUAL REQUIREMENT	1,951,055,870 GALLONS	0 GALLONS	1,951,055,870 GALLONS
ESTIMATED MAXIMUM DAY CONSUMPTION	9,300,000 GALLONS	0 GALLONS	9,300,000 GALLONS
ESTIMATED MAXIMUM HOUR CONSUMPTION	427,625 GALLONS	0 GALLONS	427,625 GALLONS
ESTIMATED NUMBER OF WATER METER CONNECTIONS TO BE SERVED DALLAS WATER - AS OF JUNE 1, 1999			3218
ESTIMATED POPULATION TO BE SERVED DALLAS WATER - AS OF JUNE 1, 1999			11,330

DO YOU PLAN TO REQUEST A CHANGE (INCREASE OR DECREASE) IN YOUR RATE-OF-FLOW CONTROLLER IN 1999?     YES     NO    \_\_\_\_\_ MGD PROPOSED SETTING

*John E. Murphy*  
Signature

ASST. DIRECTOR  
Title

2/18/99  
Date

**DALLAS WATER UTILITIES DEPARTMENT  
STATEMENT OF ANNUAL WATER USE AND REQUIREMENTS  
YEARS 1999 AND 2000**

**TOWN OF ADDISON - TREATED WATER**

DATA:	PRESENT ROFC SETTING	MAXIMUM CAPACITY OF METER/ROFC	PIPELINE CAPACITY (IF APPLICABLE)	PRESSURE DISTRICT			
				CENTRAL LOW	SOUTH HIGH	RED BIRD HIGH	NORTH HIGH
Surveyor	0.8 MGD	4.0 MGD	-	x			
Celestial	9.3 MGD	20.0 MGD	-	x			
	10.1 MGD	24.0 MGD					

FISCAL YEAR (OR PERIOD) ENDED SEPTEMBER 30, 1999  
(OCTOBER 1, 1998 - SEPTEMBER 30, 1999)

	PROVIDED BY DALLAS	FROM OTHER SOURCES	TOTAL
TOTAL WATER CONSUMPTION (TOTAL FLOW INTO DISTRIBUTION SYSTEM)	2,105,037,000 GALLONS	0 GALLONS	2,105,037,000 GALLONS

CALENDAR YEAR ENDED DECEMBER 31, 1999

	PROVIDED BY DALLAS	FROM OTHER SOURCES	TOTAL
TOTAL WATER CONSUMPTION (TOTAL FLOW INTO DISTRIBUTION SYSTEM)	2,181,091,000 GALLONS	0 GALLONS	2,181,091,000 GALLONS
MAXIMUM MONTH CONSUMPTION: (MONTH: <u>August</u> )	294,341,000 GALLONS	0 GALLONS	294,341,000 GALLONS
MAXIMUM DAY CONSUMPTION: (DAY: <u>Mon.</u> )	10,123,000 GALLONS	0 GALLONS	10,123,000 GALLONS
MAXIMUM HOUR CONSUMPTION: (DATE: <u>12/30/99</u> )	421,800 GALLONS	0 GALLONS	421,800 GALLONS

NUMBER OF WATER METER CONNECTIONS BEING SERVED DALLAS WATER - AS OF JUNE 1, 1999 3,210

ESTIMATED POPULATION BEING SERVED DALLAS WATER - AS OF JUNE 1, 1999 11,220

FORECAST FOR CALENDAR YEAR 2000

	TO BE PROVIDED BY DALLAS	TO BE PROVIDED BY OTHER SOURCES	TOTAL
ESTIMATED ANNUAL REQUIREMENT	2,224,712,000 GALLONS	0 GALLONS	2,224,712,000 GALLONS
ESTIMATED MAXIMUM DAY CONSUMPTION	10,325,000 GALLONS	0 GALLONS	10,325,000 GALLONS
ESTIMATED MAXIMUM HOUR CONSUMPTION	430,200 GALLONS	0 GALLONS	430,200 GALLONS

ESTIMATED NUMBER OF WATER METER CONNECTIONS TO BE SERVED DALLAS WATER - AS OF JUNE 1, 2000 3,500

ESTIMATED POPULATION TO BE SERVED DALLAS WATER - AS OF JUNE 1, 2000 11,600

DO YOU PLAN TO REQUEST A CHANGE (INCREASE OR DECREASE) IN YOUR RATE-OF-FLOW CONTROLLER IN 2000?  YES  NO            MGD PROPOSED SETTING

M. E. Murphy  
Signature  
MICHAEL E. MURPHY

DIRECTOR PUBLIC WORKS  
Title

3/9/2000  
Date



November 20, 1997

Mr. Ron Whitehead  
Town Manager  
Town of Addison  
P.O. Box 144  
Addison, TX 75001

Dear Ron:

The October 16, 1997, letter you received from Dallas Water Utilities concerning the adopted rates for water and wastewater services contains a typographical error for the flat rate for wholesale treated water. The correct flat rate for wholesale treated water service is \$1.1824 per 1000 gallons.

If you have any questions or need assistance, please call me at 214/670-5887.

Sincerely,

Phillip L. Boyd  
Manager  
Wholesale Services

c: Larry N. Patterson, Assistant Director, City of Dallas Water Utilities Department  
Randy Moravec, Director of Finance, Town of Addison  
John Baumgartner, Director of Public Works, Town of Addison

**Water Utilities Department**

Wholesale Services • City Hall, 1500 Marilla, Room 4AN • Dallas, Texas 75201 • 214/670-5888 • Fax 214/670-3154  
A city utility providing regional water and wastewater services vital to public health and safety.



City of Dallas

October 16, 1997

CERTIFIED MAIL Z 046 939 097

Mr. Ron Whitehead  
City Manager  
Town of Addison  
P.O. Box 144  
Addison, Texas 75001

Dear Mr. Whitehead:

On September 24, 1997, the Dallas City Council adopted the rates for water and wastewater services. The rate for wholesale wastewater service is \$1.3190 per 1000 gallons and applies to both metered and unmetered wastewater customers. An infiltration and inflow adjustment factor of 16.2% will be applied to the winter month's consumption average total to determine the billable volume for unmetered wastewater flow. The new rates are effective October 1, 1997.

Dallas Water Utilities will continue reviewing the adequacy of rates and perform annual cost of service studies. Contracts with certain customers require a specific notice in advance of a revision in rates while others do not. However, we want to be sure that all customers receive the same information. Therefore, please consider this letter as our notice of intent to revise rates on or about October 1, 1998, to cover the cost of providing wastewater service. The amount of that revision will be determined cooperatively with your participation invited during the coming months.

We will keep you informed as we progress. If there are any questions or if you need assistance, please call Phil Boyd at 214/670-5887.

Sincerely,

Larry N. Patterson, P.E.  
Assistant Director

c: Terrace W. Stewart, Director, City of Dallas Water Utilities  
Department  
Randy Moravec, Director of Finance, Town of Addison  
John Baumgartner, Director of Public Works, Town of Addison

**Water Utilities Department**

City Hall 4AN • Dallas, Texas 75201 • 214/670-3146

A city utility providing regional water and wastewater services vital to public health and safety.

METERING STATION SUMMARY

METER I.D.	FLOW (MGD)	TOTAL GALLONS (X 1000)
13_1E	1.666	51648
13_2E	0.256	7939
13_3E	0.263	8147
TOTAL	2.185	67735

OBLIGATION SUMMARY

Y-T-D PROJECTED OBLIGATION	\$532,534.69
Y-T-D ACTUAL OBLIGATION	\$534,130.63
Y-T-D VARIANCE	\$1,595.94-

\* Based upon monthly metered flows, projected monthly flows and projected cost of service.

\*\* Minor variations may occur due to rounding.

\*\*\* Reflects mid-year adjustment, if any.

TRINITY RIVER AUTHORITY OF TEXAS  
CENTRAL REGIONAL WASTEWATER SYSTEM  
CONTRIBUTED WASTEWATER FLOW BY CONTRACTING PARTIES  
AUGUST 1997

<u>CONTRACTING PARTY</u>	<u>FLOW(MGD)</u>	<u>% CONTR.</u>	<u>YTD FY %</u>	<u>PROJ. %</u>	<u>% VAR</u>
ADDISON	2.185	1.875	1.573	1.568	0.30
ARLINGTON	23.018	19.756	19.486	19.667	-0.92
BEDFORD	5.036	4.322	4.238	4.436	-4.47
CARROLLTON	13.133	11.272	10.414	8.421*	23.67
CEDAR HILL	0.126	0.108	0.095	0.093	1.93
COLLEYVILLE	2.155	1.850	1.927	1.991	-3.23
COPPELL	2.943	2.526	2.737	2.968	-7.77
DALLAS	6.924	5.943	6.385	6.244	2.26
DFW AIRPORT	1.755	1.506	1.463	1.516	-3.48
DUNCANVILLE	0.104	0.089	0.207	0.203	1.77
EULESS	3.771	3.237	3.034	2.859	6.12
FARMERS BRANCH	5.372	4.611	4.726	5.553*	-14.90
FORT WORTH	0.966	0.829	0.808	0.899*	-10.16
GRAND PRAIRIE	13.769	11.818	12.496	12.875	-2.94
GRAPEVINE	1.824	1.565	1.545	1.597	-3.25
HURST	0.148	0.127	0.125	0.124	0.56
IRVING	28.402	24.376	24.715	25.098	-1.53
KELLER	1.518	1.303	1.279	1.222	4.71
MANSFIELD	2.102	1.804	1.692	1.634	3.57
N. RICHLAND HILLS	0.421	0.361	0.421	0.415	1.32
SOUTHLAKE	0.841	0.722	0.634	0.615	3.12
<u>TOTALS</u>	<u>116.513</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	

\* Fiscal year average deviates from the projected average by 10% or more.  
\*\* Minor variations may occur due to rounding.



**Memorandum**



CITY OF DALLAS

DATE August 14, 1997

TO DISTRIBUTION

SUBJECT Rate of Flow Controller Setting Change Request  
Town of Addison - Account No. 241-1533207-001

6.0 MGD	6.2 MGD	0.2 MGD
Previous ROFC Setting	Requested ROFC Setting	Net ROFC Change

Effective Date of Change: July 28, 1997

Requested by: John Baumgartner, Director of Public Works

Letter of confirmation received from customer: [x] yes [ ] no

\* \* \* \* \*

Demand Charge: \$139,385.00  
Previous Daily Demand Charge: \$ 2,291.26

Number of elapsed days from June 1 to end of current billing cycle:  
June 1 through July 30 = 59 days

New Daily Demand Charge (New DDC) = \$139,385 x 6.2 MGD / 365 days =  
\$ 2,367.63

(New DDC - Old DDC) x no. of elapsed days from June 1 = Demand  
Charges due

(\$ 2,367.63 - \$ 2,291.26) x 59 days = \$4,505.83

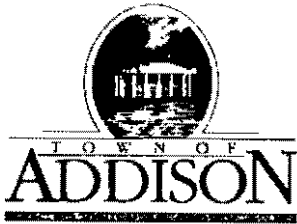
If there are any questions, please contact Wholesale Services  
Division at 214/670-5888.

*Jonia*

*for:*

Phillip L. Boyd  
Manager  
Wholesale Services Division

DISTRIBUTION:  
Town of Addison ✓  
Larry Patterson  
Vicki Reed



**PUBLIC WORKS DEPARTMENT**

Post Office Box 144 Addison, Texas 75001

(972) 450-2871

16801 Westgrove

July 28, 1997

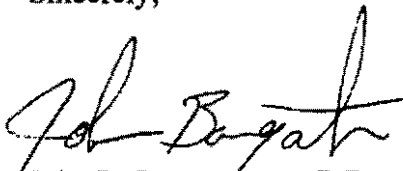
Mr. Phil Boyd  
Wholesale Services  
City of Dallas  
1500 Marilla, Room 4 AN  
Dallas, Texas 75201

Re: Rate of Flow Increase

Dear Phil:

The Town of Addison is requesting an increase to the R.O.F. at Celestial reservoir of 0.2 MGD. This will provide a total R.O.F. setting of 6.2 MGD.

Sincerely,

  
John R. Baumgartner, P.E.  
Director of Public Works

cc: Randy Moravec  
Keith Thompson  
Ron Whitehead





August 8, 1997

**CERTIFIED MAIL P 332 768 477**

Mr. Ron Whitehead  
Town Manager  
Town of Addison  
P.O. Box 144  
Addison, TX 75001

Dear Mr. Whitehead:

Enclosed for your review is a copy of the 1997 Wholesale Wastewater Cost of Service Study. As shown on the attached summary, an overall increase in wholesale wastewater rates is planned.

The results of the study will be presented at a breakfast meeting of the Joint Water and Wastewater Management Advisory Committee on September 4, 1997, at the Holiday Inn Select, 1241 W. Mockingbird Lane. Details regarding this meeting are being forwarded to you separately.

Your comments are needed no later than September 8, 1997. The study will be presented to Dallas City Council for approval later during the month of September. As always, if any portion of the study needs clarification, we are prepared to meet with you to explain the details.

The 1997 Cost of Service Study reflects the participation and contributions made by the following individuals who served on the Joint Water/Wastewater Cost of Service Subcommittee:

Wholesale Water Rate Review Subcommittee

Ralph Ellis, Assistant City Manager, City of Irving  
Bob Scott, Director of Finance, City of Carrollton  
Tony Johnston, Director of Finance, City of The Colony  
Alfred Akrasi-Boateng, Utilities Planner, Dallas-Ft. Worth International Airport  
Earl Crews, Utilities Budget/Rate Administrator, City of Denton  
Patrick Baugh, Managing Director of Public Services, City of DeSoto  
Bill Willborn, Assistant Director of Public Works, City of Duncanville  
Mark Pavageaux, Director of Public Works, City of Farmers Branch  
Sophronia Johnson, Revenue Manager, City of Grand Prairie  
Steve Bacchus, Director of Public Services, City of Lewisville

**Water Utilities Department**

Wholesale Services • City Hall, 1500 Marilla, Room 4AN • Dallas, Texas 75201 • 214/670-5888 • Fax 214/670-3154  
A city utility providing regional water and wastewater services vital to public health and safety.

August 8, 1997  
Mr. Ron Whitehead  
Page 2

Wholesale Wastewater Rate Review Subcommittee

Randy Moravec, Director of Finance, Town of Addison

Sally McGlaun, City Secretary, City of Cockrell Hill

John Caldwell, Comptroller, Dallas County WCID #6

Bill Pollock, Director of Fiscal & Human Resources, Town of Highland Park

Glen Parmer, Support Services Manager, City of Richardson

Kent Austin, Assistant City Manager, City of University Park

If you have questions or need additional information, please call me at 214-670-5887.

Sincerely,



Phillip L. Boyd

Manager

Wholesale Services Division

pb

enclosures

c: John Baumgartner, Director of Public Works, Town of Addison  
Randy Moravec, Director of Finance, Town of Addison

## **PROPOSED**

### **CITY OF DALLAS - WATER UTILITIES WHOLESALE WASTEWATER COSTS**

The results of the 1997 Wholesale Treated Water Cost Study indicate the costs of providing service are:

#### **RATE**

Proposed:	\$1.319 per 1,000 gallons
Current:	\$1.244 per 1,000 gallons

#### **BILLABLE VOLUME**

Billable volumes for unmetered wastewater will include an I&I adjustment factor of 16.2% added to the winter months average total. The current adjustment factor is 13.9%.

The rate methodology used in the study is:

Revenue requirement:	Determined on utility basis at original cost.
Rate-of-return:	Embedded rate of interest on water obligations plus 1.5%.
Rate design:	One-part rate (volume)

The test period for the Cost of Service Study is fiscal year 1996 (12 months ended September 30, 1996) adjusted for known changes.



REC'D OCT 28 1996

October 24, 1996

CERTIFIED MAIL P 572 400 430

Mr. Ron Whitehead  
City Manager  
Town of Addison  
P.O. Box 144  
Addison, Texas 75001

Dear Mr. Whitehead:

Enclosed for your information is a copy of Dallas' Ordinance No. 22907 passed on September 20, 1996, adjusting rates for water and wastewater services. The rate for wastewater service is \$1.2440 per 1000 gallons and applies to both metered and unmetered wastewater customers. An infiltration and inflow adjustment factor of 13.9% will be applied to the winter month's consumption average total to determine the billable volume for unmetered wastewater flow. The new rates are effective October 1, 1996.

Dallas Water Utilities will continue reviewing the adequacy of rates and perform annual cost of service studies. Contracts with certain customers require a specific notice in advance of a revision in rates while others do not. However, we want to be sure that all customers receive the same information. Therefore, please consider this letter as our notice of intent to revise rates on or about October 1, 1997, to cover the cost of providing wastewater service. The amount of that revision will be determined cooperatively with your participation invited during the coming months.

We will keep you informed as we progress. If there are any questions or if you need assistance, please call me.

Sincerely,

Phillip L. Boyd  
Manager  
Wholesale Services

trt

enclosure: Ordinance No. 22907

c: Terrace W. Stewart, Director, City of Dallas Water Utilities  
Department

Randy Moravec, Director of Finance, Town of Addison

John Baumgartner, Director of Public Works, Town of Addison

**Water Utilities Department**

Wholesale Services • City Hall, 1500 Marilla, Room 4AN • Dallas, Texas 75201 • 214/670-5888 • Fax 214/670-3154  
A city utility providing regional water and wastewater services vital to public health and safety.

9/20/96

ORDINANCE NO. 22907

An ordinance amending Sections 49-18.4 and 49-18.5 of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended; adjusting rates for wholesale water and wastewater service to governmental entities and for untreated water; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Section 49-18.4, "Rates for Wholesale Water and Wastewater Service to Governmental Entities," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

**"SEC. 49-18.4. RATES FOR WHOLESALE WATER AND WASTEWATER SERVICE TO GOVERNMENTAL ENTITIES.**

(a) Form of rate. The director may provide wholesale water service to governmental entities. The service will be furnished in accordance with a written contract at the rates prescribed in this section and under such other terms and conditions as the city council deems reasonable. The rate for wholesale water service to a governmental entity will consist of:

- (1) a volume charge and a demand charge; or
- (2) a flat rate charge.

(b) Rate table. The director shall charge a governmental entity for wholesale water service in accordance with the following:

(1) The volume charge for treated water is \$0.3263 [~~0.3389~~] per 1,000 gallons of water used, and the annual water year demand charge is \$139.385 [~~135.485~~] per each mgd, as established by the highest rate of flow controller setting.

(2) If a flat rate charge for treated water is provided by contract, or in the absence of a rate of flow controller, the charge is \$1.1974 [~~1.1856~~] per 1,000 gallons of treated water used.

(3) A monthly readiness-to-serve charge will be assessed for any standby service point. The monthly fee, based on size of connection, is as follows:

<u>Size of Connection</u>	<u>Monthly Standby Fee</u>
3-inch	\$41.91
4-inch	53.80
6-inch	94.49
8-inch	149.00
10-inch or larger	215.19

(4) The rate for untreated water service to a governmental entity is \$0.4634 [~~0.4781~~] per 1,000 gallons of untreated water used. The charge for interruptible service to a governmental entity is \$0.2469 [~~0.2538~~] per 1,000 gallons of untreated water used.

(c) Revisions. Unless otherwise provided in this chapter, if the written contract for wholesale service between the city and a governmental entity provides for revision of rates, the charges under the written contract must comply with the charges provided in this section.

(d) Emergency exchanges. The director may, in the interest of the city and its customers, make connection agreements with other governmental entities for emergency exchange of water.

(e) Wholesale wastewater rates. The director may provide wholesale wastewater service to other governmental entities by contract, in accordance with the following rules:

(1) The monthly rate for wholesale wastewater services is \$1.244 [~~1.1870~~] per 1,000 gallons of wastewater discharged. The director is authorized to compensate those governmental entities located within the boundaries of the city for the city's use of integrated facilities owned by those governmental entities.



(2) An infiltration and inflow adjustment factor of 13.9 [~~14.8~~] percent will be added to the average water consumption for the months of December, January, February, and March to determine billable volume for a governmental entity with unmetered wholesale wastewater service.

(3) If the BOD or suspended solids concentration of waste discharged exceeds 250 mg/L, the governmental entity must pay a surcharge calculated at the prompt payment rate in accordance with Section 49-18.12(1)(A) or (B), whichever applies."

SECTION 2. That Section 49-18.5, "Rate for Untreated Water," of Article II, "Rates, Charges and Collections," of CHAPTER 49, "WATER AND WASTEWATER," of the Dallas City Code, as amended, is amended to read as follows:

**"SEC. 49-18.5. RATE FOR UNTREATED WATER.**

(a) Regular rate. The charge for untreated water is \$0.4634 [~~0.4784~~] (prompt payment) or \$0.4878 [~~0.5033~~] (standard) per 1,000 gallons of water used.

(b) Interruptible rate. The charge for interruptible service is \$0.2469 [~~0.2538~~] (prompt payment) or \$0.2599 [~~0.2672~~] (standard) per 1,000 gallons of water used.

(c) Reservoir supply permits. The director may authorize contracts with owners of property abutting water supply lakes or streams for the domestic use of untreated water. A contract under this subsection may not allow withdrawal of untreated water in excess of 10 acre-feet per year. A charge will be made as provided in Subsection (a) or (b). The term of such contracts may not exceed three years, but the contracts are renewable at the option of the city.

(d) Treatment plant effluent. Wastewater treatment plant effluent may be purchased for one-half of the regular rate for untreated water. No distribution facilities will be provided by the city."

SECTION 3. That CHAPTER 49 of the Dallas City Code, as amended, will remain in full force and effect, save and except as amended by this ordinance.

SECTION 4. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of CHAPTER 1 of the Dallas City Code, as amended.

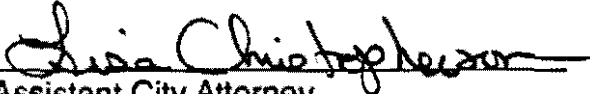
22907

963103

SECTION 5. That this ordinance will take effect October 1, 1996, and it is accordingly so ordained.

APPROVED AS TO FORM:

SAM A. LINDSAY, City Attorney

By   
Assistant City Attorney

Passed SEP 25 1996

KS/DCC/00083B

REC'D OCT 28 1996



October 24, 1996

CERTIFIED MAIL P 572 400 168

Mr. Ron Whitehead  
City Manager  
Town of Addison  
P.O. Box 144  
Addison, Texas 75001

Dear Mr. Whitehead:

Enclosed for your information is a copy of Dallas' Ordinance No. 22907 passed on September 20, 1996, adjusting rates for water and wastewater services provided by the City of Dallas. The new rates for treated water, effective on October 1, 1996, are:

Two-Part: Volume Charge: \$0.3263 per 1000 gallons  
Demand Charge: \$139,385 per MGD

Flat: \$1.1974 per 1000 gallons

Dallas Water Utilities will continue reviewing the adequacy of rates and perform annual cost of service studies. Contracts with certain customers require a specific notice in advance of a revision in rates while others do not. However, we want to be sure that all customers receive the same information. Therefore, please consider this letter as our notice of intent to revise rates on or about October 1, 1997, to cover the cost of treated water service. The amount of that revision will be determined cooperatively with your participation invited during the coming months.

We will keep you informed as we progress. If there are any questions or if you need assistance, please call me.

Sincerely,

Phillip L. Boyd  
Manager  
Wholesale Services

trt

enclosure: Ordinance No. 22907

c: Terrace W. Stewart, Director, City of Dallas Water Utilities  
Department

Randy Moravec, Director of Finance, Town of Addison

John Baumgartner, Director of Public Works, Town of Addison

**Water Utilities Department**

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9/20/96

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<u>Size of Connection</u>	<u>Monthly Standby Fee</u>
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(2) An infiltration and inflow adjustment factor of 13.9 [~~14.8~~] percent will be added to the average water consumption for the months of December, January, February, and March to determine billable volume for a governmental entity with unmetered wholesale wastewater service.

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22907

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SECTION 5. That this ordinance will take effect October 1, 1996, and it is accordingly so ordained.

APPROVED AS TO FORM:

SAM A. LINDSAY, City Attorney

By *Lisa Christopher*  
Assistant City Attorney

Passed SEP 25 1996

KS/DCC/00083B

New

File  
Utility Rates

**WATER/SEWER RATES EFF 10/16/96**

CLASSIFICATION	BILL CODES WATER/SEWER	SIZE IN INCHES	MINIMUM WATER RATE	MINIMUM SEWER RATE	TOTAL MINIMUM MONTHLY BILL	VOL FOR MINIMUM
SINGLE FAMILY (8,000 GAL MAX SEWER)	3A10/1A00	5/8	7.50	8.79	16.29	2,000
	3A20/1A00	3/4				
	3A30/1A00	1				
RES SANITATION SVC	2S10/0003				412.35	
MULTI-FAMILY	3B10/1B00	5/8	45.28	50.15	95.43	15,000
	3B20/1B00	3/4				
	3B30/1B00	1				
	3B40/1B00	1 1/2				
	3B50/1B00	2				
	3B60/1B00	3				
	3B70/1B00	4				
	3B80/1B00	6				
MUNICIPAL/SCHOOLS	3C10/1C00	5/8	59.63	66.12	125.75	20,000
	3C20/1C00	3/4				
	3C30/1C00	1				
	3C40/1C00	1 1/2				
	3C50/1C00	2				
	3C60/1C00	3				
	3C70/1C00	4				
	3C80/1C00	6				
COMMERCIAL LARGE	3D50/1D00	2	109.60	120.19	229.79	37,000
	3D60/1D00	3				
	3D70/1D00	4				
	3D80/1D00	6				
	3D90/1D00	8				
COMMERCIAL SMALL	3E10/1E00	5/8	10.62	15.41	26.03	3,000
	3E20/1E00	3/4				
	3E30/1E00	1				
	3E40/1E00	1 1/2				
INDUSTRIAL LARGE	3F50/1F00	2	240.91	257.13	498.04	80,000
	3F60/1F00	3				
	3F70/1F00	4				
	3F80/1F00	6				
	3F90/1F00	8				
INDUSTRIAL SMALL	3G10/1G00	5/8	9.70	11.96	21.66	3,000
	3G20/1G00	3/4				
	3G30/1G00	1				
	3G40/1G00	1 1/2				
HOTEL/MOTEL	3H10/1H00	5/8	240.91	257.13	498.04	80,000
	3H20/1H00	3/4				
	3H30/1H00	1				
	3H40/1H00	1 1/2				
	3H50/1H00	2				
	3H60/1H00	3				
	3H70/1H00	4				
	3H80/1H00	6				
	3H90/1H00	8				



CLASSIFICATION	BILL CODES	SIZE IN	MINIMUM	MINIMUM	TOTAL MINIMUM	VOL FOR
	WATER/SEWER	INCHES	WATER RATE	SEWER RATE	MONTHLY BILL	MINIMUM
IRRIGATION LARGE	3150/NONE	2	75.39	NONE	75.39	27,000
	3160/NONE	3				
IRRIGATION SMALL	3J10/NONE	5/8	15.52		15.52	5,000
	3J20/NONE	3/4				
	3J30/NONE	1				
	3J40/NONE	1 1/2				
FIRE METERS	3K00/NONE	VARIES	24.61	NONE	24.61	8,000

CHARGE PER 1000 GAL BEYOND MINIMUM USAGE

WATER	1.50 (.00150)
SEWER	3.19 (.00319)

COMMERCIAL ACCOUNTS DO NOT HAVE A LIMIT ON SEWER CHARGES & ARE NOT CHARGED FOR SANITATION SERVICE BY THE CITY

HISTORY OF INCREASES

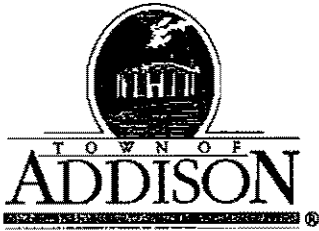
11-88 25%  
 11-93 18-28% (WATER COST DOWN & SEWER COST UP DUE TO SEWER TUNNEL PROJECT WITH FARMERS BRANCH)  
 10-96 2.1-13% (WATER COST UP & SEWER COST DOWN)

DEPOSIT INFORMATION

COMMERCIAL ACCOUNTS = 2 TIMES THE AVERAGE CONSUMPTION WITH A \$100 MINIMUM  
 COMMERCIAL IRR = \$100  
 FIRE METERS = \$50  
 RES DOMESTIC/IRR = \$50 PER EACH INDIVIDUAL METER

SIZE FIELD IN METER INVENTORY SCREEN & ALERT CODE FOR ACCOUNT SET UP TO SYSTEM

METER SIZE	CODE	ALERT CODE	DESCRIPTION
5/8" .625	1	01	IRRIGATION
3/4" .75	2	02	FIRE METER
1"	3	03	TOWN ACCT
1 1/2"	4	04	DOMESTIC
2"	5	05	SANITATION ONLY
3"	6	06	SPECIAL
4"	7		
6"	8		
8"	9		



**PUBLIC WORKS DEPARTMENT**

(972) 450-2871

Post Office Box 9010 Addison, Texas 75001-9010

16801 Westgrove

April 14, 1999

Mr. Randy Stalnaker  
Dallas Water Utilities  
1500 Marilla, Room 4AN  
Dallas, Texas 75201

Re: Wholesale Wastewater Information

Dear Mr. Stalnaker:

Please find attached the completed referenced forms. Please call me if you have any questions or need additional information.

Sincerely,

Mike Murphy, P.E.  
Assistant Director of Public Works

Attachment

# WHOLESALE WASTEWATER CUSTOMER DATA

Calendar Year 1998

ADDISON Metered

Total number of accounts feeding into Dallas' wastewater system 343

<u>Classification of Accounts</u>	<u>Number</u>	<u>Percentage</u>
Residential	<u>166</u>	<u>48%</u>
Multi-family	<u>44</u>	<u>13%</u>
Business/Commercial	<u>125</u>	<u>36%</u>
Other	<u>8</u>	<u>2%</u>
<b>TOTAL</b>	<b><u>343</u></b>	<b><u>100%</u></b>

## WINTER MONTH WATER CONSUMPTION DATA

FOR WINTER 1998-99

### Water Consumption (in 1000 gallons)

<u>Customer Class</u>	Dec. '98	Jan. '99	Feb. 99	Mar. ;99	TOTAL
Residential	<u>635</u>	<u>752</u>	<u>674</u>	<u>637</u>	<u>2698</u>
Multi-Family	<u>8934</u>	<u>9680</u>	<u>8423</u>	<u>7965</u>	<u>35002</u>
Bus/Comm	<u>11592</u>	<u>9628</u>	<u>12144</u>	<u>11662</u>	<u>45026</u>
Other	<u>371</u>	<u>249</u>	<u>373</u>	<u>250</u>	<u>1243</u>
TOTAL	<u>21532</u>	<u>20309</u>	<u>21614</u>	<u>20514</u>	<u>83969</u>
					<u>83969</u>

### **AVERAGE WINTER MONTH 20992 (X1000) GALLONS**

AWM= Total / #of billing days x Avg. days per month = gallons per average month 20992

Billing Days	Dec.'98=	Jan.'99=	Feb.'99=	Mar.'99=	Tot. bill da	120
	31	31	29	29	Avg. days/l	30

Submitted by: *W. F. Ang* Date: 4/15/99

# WHOLESALE WASTEWATER CUSTOMER DATA

Calendar Year 1998

ADDISON Unmetered

Total number of accounts feeding into Dallas' wastewater system 271

<u>Classification of Accounts</u>	<u>Number</u>	<u>Percentage</u>
Residential	<u>215</u>	<u>79%</u>
Multi-family	<u>0</u>	<u>0%</u>
Business/Commercial	<u>52</u>	<u>19%</u>
Other	<u>4</u>	<u>1%</u>
<b>TOTAL</b>	<b><u>271</u></b>	<b><u>100%</u></b>

## WINTER MONTH WATER CONSUMPTION DATA

FOR WINTER 1998-99

### Water Consumption (in 1000 gallons)

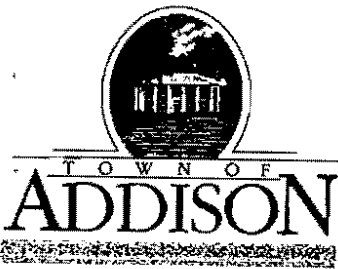
<u>Customer Class</u>	<u>Dec. '98</u>	<u>Jan. '99</u>	<u>Feb. 99</u>	<u>Mar. ;99</u>	<u>TOTAL</u>
Residential	<u>3343</u>	<u>2895</u>	<u>3086</u>	<u>3502</u>	<u>12826</u>
Multi-Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Bus/Comm	<u>4642</u>	<u>4096</u>	<u>3771</u>	<u>4018</u>	<u>16527</u>
Other	<u>28</u>	<u>24</u>	<u>41</u>	<u>24</u>	<u>117</u>
<b>TOTAL</b>	<b><u>8013</u></b>	<b><u>7015</u></b>	<b><u>6898</u></b>	<b><u>7544</u></b>	<b><u>29470</u></b>
					<u>29470</u>

### **AVERAGE WINTER MONTH** 7368 (X1000) GALLONS

AWM= Total / #of billing days x Avg. days per month = gallons per average month 7368  
 Billing Days      Dec.'98=      Jan.'99=      Feb.'99=      Mar.'99=      Tot. bill days =      120  
                          31            31            29            29      Avg. days/month =      30

Submitted by: *W. E. Mung*

Date: 4/15/99



COPY

FINANCE DEPARTMENT

Post Office Box 144 Addison, Texas 75001

(214) 450-7051

5350 Belt Line Road

May 3, 1996

MEMORANDUM

To: Ron Whitehead, City Manager  
From: Randy Moravec, Finance Director  
Subject: Update of Utility Rates and Long-Term Utility Financial Plan



SUMMARY:

Council authorization is requested for the engagement of Lewis McLain to conduct an analysis of the Town's utility rates in context of a long-term financial plan for the Utility fund.

BACKGROUND:

The Town's existing water and wastewater rate structure has been in place since 1988 when a comprehensive study was conducted by Lewis McLain. Those rates were modified in 1993 through an updated analysis which addressed the impact of the \$20.2 million debt issue needed to fund the west side wastewater improvement program.

The Town's utility rates need to be updated once again for several reasons.

- \* Surplus Capital Funds - The Town issued \$20.2 million in certificates of obligation based upon engineer's estimates that the Town's portion of the Addison/Farmers Branch Sewer Interceptor/Tunnel would be over \$14.5 million. When bids were awarded for the project, the cost was less than 60% of the estimate. Some of the surplus funds have been put to good use, particularly the new lines needed to remove Addison sewage flow from Carrollton. However, it appears at this time there may be between \$3 million to \$6 million of surplus capital project funds. An engineering study has been commissioned to develop a long-term utility capital needs assessment which will identify the capital improvements required to accommodate total build-out of the Town. Surplus capital project funds can be applied to retirement of the Town's outstanding utility debt which would result in lower annual debt service costs, and a subsequent reduction in utility rates.
- \* Surplus Utility Fund Balance - At the end of the 1995 fiscal year, the Utility fund's working capital (fund balance) totaled over \$3.3 million which is 95% of fund operating expenses. When the 1993 water rate analysis was conducted, it projected a gradual decline in fund balance in order to mitigate the increase in sewer rates as much as possible. This projection assumed an annual customer growth of only 2% which reflected the flat growth of the previous five years. However annual growth since the study has averaged 15%, a result of Addison's surging economy. The growth in Addison's customer base has been translated into the increasing fund balance.

Memorandum to the City Manager (continued)  
May 3, 1996

- \* Customer Rate Issues - The Town has been approached by some of its larger commercial customers to consider establishing a separate rate for water used for cooling towers. Currently, those customers are billed sewage fees for cooling tower water even though only a small portion of the water is actually returned to the sewer system. The Town has also been billed penalty fees by Dallas Water Utilities for excessive BOD (biological oxygen demand) and SS (suspended solids) related to the Town's wastewater flow. The customers most responsible for this problem are the restaurants. The updated rate study will consider whether separate rates should be established for cooling towers and restaurants.

**FINANCIAL IMPACT:**

The cost of the utility rate analysis will be approximately \$16,000 and will be paid from the Utility fund.

**RECOMMENDATION:**

Lewis Mclain is recognized as one of the most qualified and proficient rate consultants in the state. His familiarity with Addison's Utility fund and rate structure will allow for the rate analysis to be conducted quickly so that the recommendations may be incorporated into the Town's 1996-97 budget. It is recommended Council authorize the city manager to engage Mr. Mclain's services in developing an updated Utility fund long-term financial plan and water/sewer rate structure.

RCM:rm

**Attachment**

cc: Lea Dunn, Asst. City Manager  
John Baumgartner, Public Works Dir.

**Town of Addison**  
**Proposal**  
**Update of Utility Rates and**  
**Multi-Year Financial Plan**

*Addison!*

**Prepared By**  
**Lewis F. McLain, Jr.**  
**Fiscal Planning Consultant**  
**April 19, 1996**

*Lewis F. McLain, Jr.*  
*Fiscal Planning Consultant*  
*2515 Nature Bend - Carrollton, Texas 75006*  
*214-418-6536 / Fax 214-418-1830*

April 19, 1996

Mr. Randolph C. Moravec, Finance Director  
Town of Addison  
P. O. Box 144  
Addison, Texas 75001

Dear Randy:

Thank you for this opportunity to submit a scope of services to conduct an update of your Water & Sewer Multi-Year Financial Plan (MYFP), including an analysis of the revenue requirements and cost allocations for revenue recovery. All of the work will be conducted by either myself or Becky Brooks Grimm. It is my intention at this point to conduct the study on my own but it is possible that I may use Becky if necessary to meet your time schedules. Since you and your City Management staff are familiar with both of us, I will simply reiterate assurances that Addison is a very important client and that you will be served at or above levels you have received in the past. In fact, several changes have taken place since the last utility update was conducted in 1992. I have narrowed my practice to the utility and fiscal impact areas and have closed my practice to serve only existing clients. I count Addison as one of about a dozen cities I intend to serve in the future and have referred all other business opportunities to other consultants since 1995.

### **SCOPE OF SERVICES**

- o The study will begin with a collection of financial policies that have formed the foundation for the previous studies and which will be updated to reflect any new utility related directives or goals of the Town of Addison.
- o The previous Utility Fund financial planning model will be updated using Lotus 123, Release 5.0 for Windows which provides a great tool for integrating financial schedules and for uniform rate analysis.



- o The financial plan will continue to be multi-year with all assumptions clearly shown.
- o The financial plan will be updated from the detail line item and staffing table level. Special schedules constructed to show the details of the Dallas Water Utility and Trinity River Authority charges will be updated.
- o Replacement capital schedules will be included in the financial plan. These will be as detailed as the Public Works Director and other utility managers are able to provide the data.
- o Capital Improvement outlays and debt related schedules will be incorporated into the financial plan. Particular attention will be given to facility sizing and planning manifested in the utility master plan that is being updated by the Town's consulting engineer and public works staff.
- o Operating enhancement packages anticipated over the planning period will be summarized and incorporated into the financial plan. These will be similar to budgetary enhancements considered each year but will have a multi-year perspective.
- o Various analytical ratios will be built into the model.
- o It is not anticipated that a volume and rate analysis of the existing Addison customers will be necessary. Any rate adjustments will be computed across-the-board to all customer classes. The one exception to this will be an evaluation of the measurement and equitable treatment of customers with cooling towers that return a relatively small percentage of water to the wastewater system.
- o All models and workpapers will be the property of Addison and will be provided on a diskette. However, it is not anticipated that any time will be included in this outline for any specific training or special documentation other than for the flow of the model to be explained in relationship to the printed schedules.
- o The written report is anticipated to be different from those produced in the past. While there will be a meaningful number of instructive graphs and charts, I will be writing a technical report with more narrative than found in past reports - or at least an executive summary that will precede the financial schedules. The financial schedules will include highlights of their purpose and their information. If necessary, a separate bullet presentation will be provided for the Council presentations.

I have found it to be necessary and beneficial to provide more narrative discussion regarding the key assumptions used in the MYFP. The results will be more disclosure and documentation. I also will address specific financial planning policies in the report.

## **TIMING/BILLINGS/ACCOUNTABILITY**

It is estimated that the number of hours required to review the existing and revised financial policies, to update and enhance the model, to review the capital improvements and prepare the report will be 180 hours. Based on an hourly rate of \$90, the fee estimate is \$16,200.

I can start immediately after the planned approval date of Tuesday, May 14, 1996 and can be finished in time to meet your date of August 13, 1996 for a presentation to the Town Council. This assumes that the preliminary engineering report will be available no later than June 14 and that it does not change substantially after that date. I will be available to attend the City Council meeting on May 14 to answer any questions regarding this study.

I would like to have the opportunity to discuss the capital improvements, the key assumptions used for growth and consumption estimates, and the cost of capital projects with the consulting engineers and Public Works Director. I would like to request in advance that the projects be supported with engineering estimates that clearly show the sizing (gallons or linear feet), the unit costs and other assumptions such as engineering/design fees and the contingency factors. I would also like to have the estimated year of construction indicated on the project list. These should be basic work papers supplied by the engineering firm. If this information is available by June 14th, we should be able to discuss the engineering data prior to their report being finalized.

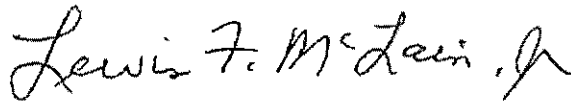
I will provide you with a summary of hours worked through the 15th and the last day of the month. This billing will include the number of hours worked by specific assignment. This is not only to assist me in my cash flow, but is intended to make it easier for you to hold me accountable for work performed. It is my experience that the frequent billings enable you to judge the reasonableness of the level of effort represented in the most recent 15 day period. Payment will be due within 10 days of receipt of the billing. If at any time you are not satisfied with the billable hours requested for payment, then I will be happy to discuss your concern. Your decision on the amount due to me will be the final word.

## SUMMARY

I will be able to conduct this updated study within the time frame you have requested. The major changes from the 1992 study include an in-depth review of the capital projects, their sizing assumptions and costs. I will also prepare a report with more narrative to assist in documentation, disclosure and clarity regarding the assumptions, findings, and conclusions of the financial and modeling. It is my estimate that this effort will require 180 hours of commitment at \$90 for a maximum fee of \$16,200.

I will be available to attend your City Council meeting on Tuesday, May 14 to answer any questions regarding this study. Please do not hesitate to call me prior to that time if you have any questions.

Sincerely,



Lewis F. McLain, Jr.  
Fiscal Planning Consultant

APPROVED:

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Ron Whitehead, City Manager  
Town of Addison, Texas