

Public Profit for the Public Good

A Survey of Municipal Utility Rate and Profit Policies
for Texas Cities

Acknowledgments

This report was written by Paul Robbins, longtime environmental advocate and publisher of the *Austin Environmental Directory*, with research assistance by Hillary Corgey, an intern in Public Citizen's Texas office.

About Public Citizen

Public Citizen is a national nonprofit organization with more than 300,000 members and supporters. We represent consumer interests through lobbying, litigation, administrative advocacy, research, and public education on a broad range of issues including consumer rights in the marketplace, product safety, financial regulation, worker safety, safe and affordable health care, campaign finance reform and government ethics, fair trade, climate change, and corporate and government accountability.



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Executive Summary

During the proceedings of the Austin Energy electric rate case in 2012, a number of vocal out-of-city ratepayers served by the utility challenged the right of the City of Austin to transfer money from their rates to Austin’s city services. Out-of-city ratepayers represent about 13% of Austin Energy’s total customer base. Some individuals, along with some of the representatives of suburban city governments served by Austin Energy, have challenged Austin’s right to this transfer, calling it “taxation without representation.”

While these out-of-city ratepayers do indeed have “representation” through their ability to appeal to the Texas Public Utility Commission, other legitimate policy questions exist. This study was conducted to determine how common General Fund transfers from public utilities are in Texas cities, how common it is for those transfers to include revenue from out-of-city ratepayers, and determine what the standard rate of such General Fund transfers is. Public Citizen has undertaken a survey of the 100 most populous cities in Texas in an attempt to answer these important questions.

Findings

1. Of the 100 largest cities in Texas, all are served by one or more municipal or non-profit utilities for electricity, water, wastewater, natural gas, solid waste disposal and recycling, or drainage. The 2010 population of these cities ranged from 2.1 million for Houston to 29,000 for Cleburne. They collectively represent over 14.6 million people, 58% of the population of Texas.
2. 94 of these cities own at least one utility through their municipal government.
3. At least 71 of these cities own a utility that offers service to out-of-city customers.
4. 61 of the cities that serve out-of-city customers own at least one utility that charges higher rates for out-of-city customers than those inside their city limits.
5. Only 5 cities that own municipal utilities pay the other cities that they serve a franchise fee for the privilege of operating there. Austin is among them.
6. 49 of these cities that own utilities make a rate of return that assists the General Fund departments of their cities. These include 76% of the cities with populations above 100,000, and 58% of the cities with populations above 40,000.

7. Of the 49 cities that use utility proceeds to assist their General Funds, at least 35 offer utility service to out-of-city customers. The revenue from those sales contributes directly to these in-city General Fund transfers.
8. No municipal utility serves out-of-town customers at cost unless their in-city customers are also served at cost.
9. In fiscal year 2011, about \$726 million was collected by the 49 cities that rely on utility to General Fund transfers. Two-thirds of this came from the 11 municipally owned electric utilities in the survey. An estimated \$100 million of this was repayment for administrative support from the city to the utility. However, that money is commingled with the other General Fund transfer and could not be broken out.
10. This report attempted to compare FY 2011 net General Fund transfers (without administrative costs) and gross transfers (with administration costs) for 11 municipal electric utilities surveyed for this study. They represent 88% of municipal electric utility customers in Texas in 2010.

The table below shows a comparison of General Fund transfers as a percentage of the overall expenditures of each utility. The analysis shows that while Austin ranks at the higher end for both return on investment (ROI) transfers and ROI combined with General and Administrative (G&A) costs, it is not the highest. Notably, San Antonio collects more from CPS Energy than Austin does from Austin Energy. Thus, more than half the total electric customers in this analysis contribute a greater percentage of their electric bill back to the city that owns the utility than those served by Austin Energy do.

LARGEST TEXAS PUBLIC POWER UTILITIES

| City With Electric Utility | Return on Investment Transfer (ROI) | Total Transfer (ROI and General Administrative costs) | # of Customers | % of Customers in Survey |
|------------------------------------|-------------------------------------|---|------------------|--------------------------|
| City of Garland | 9.1% | 14.7% | 68,001 | 4% |
| San Antonio (CPS Energy) | NA | 13.1% | 713,386 | 47% |
| Austin Energy | 8.3% | 12.3% | 415,128 | 27% |
| City of Georgetown | 10.4% | 11.6% | 21,073 | 1% |
| City of Denton | 7.8% | 11.3% | 44,669 | 3% |
| City of San Marcos | 7.5% | 10.7% | 19,932 | 1% |
| City of College Station | 7.2% | 9.6% | 35,803 | 2% |
| City of Bryan | 6.1% | 6.4% | 48,158 | 3% |
| Brownsville Public Utilities Board | 6.6% | NA | 45,170 | 3% |
| City of Lubbock | 6.2% | NA | 79,881 | 5% |
| City of New Braunfels* | 4.9% | NA | 29,370 | 2% |
| TOTAL | | | 1,520,571 | |

*Combined electric and water

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1. Introduction

Austin has operated municipal utilities for electricity and water since 1895. There were at least two motivations for this. The first was the high costs and poor service of the major private electric utility operating at the end of the 19th century. City leaders thought a municipal utility would bring lower rates and allow Austin to better control its own destiny.

The second motivation was that profits from the utility could supplement the city's General Fund, which was starved by lack of real property on which to levy ad valorem taxes. Austin has a huge amount of tax-exempt property because it is the seat of state government and home to a main branch of the University of Texas. State property has grown to the extent that in 2012, it represents at least three square miles of land, 28 million square feet of gross building space, and 7 million square feet of parking garages.¹ The City is deprived of what is likely tens of millions of dollars in property tax revenue, while still having to provide city services for this land and property.

Between 1994 and the first part of 2012, Austin's electric rates were unchanged. However, the Austin City Council raised electric rates in June of 2012. This provoked considerable controversy, including criticism from out-of-city ratepayers. Not only do some of these customers think the higher rates are unjustified, but they desire a special discount because they contribute to Austin's city services through the utility's transfer to the General Fund, even though they do not reside in the city. Some of these critics characterize the transfer as "taxation without representation."

While these out-of-city ratepayers do indeed have "representation" through their ability to appeal to the Texas Public Utility Commission, other legitimate policy questions exist. This study was conducted to determine how common General Fund transfers from public utilities are in Texas cities, how common it is for those transfers to include revenue from out-of-city ratepayers, and determine what the standard rate of such General Fund

¹ Data on tax-exempt state property from the following sources:

Inventory of state-owned buildings from Lisa Calem-Lindström, Public Information Coordinator, Texas Facilities Commission, July 3, 2012.

Capitol Building, Bullock Museum, and Governor's Mansion inventory from Julie Field, Public Information Coordinator, Texas State Preservation Board, July 9, 2012.

UT-Austin building inventory from Texas Higher Education Coordinating Board, Search Facilities Inventory database for UT-Austin, accessed August 4, 2012. Online at

<https://www1.theccb.state.tx.us/apps/facinv/FacSearchBldg.cfm>. Data screened for Austin addresses.

University of Texas System property (distinct from UT-Austin property) provided by Angadicheril, Zeena, Attorney, UT System, July 11, 2012.

Acres came from the sources above and Texas State Historical Association, *The Handbook of Texas*, accessed August 2012. Online at <http://www.tshaonline.org/handbook>

transfers is. Public Citizen has undertaken a survey of the 100 most populous cities in Texas in an attempt to answer these important questions.

Description of the Survey

Time Period: The survey was conducted between June and July of 2012. Rate policies were based on what was in effect in fiscal year 2012. Amounts of General Fund transfers are for fiscal year 2011, since FY 2012 had not ended for most cities when the survey was conducted.

Sources of Information: Information gathered for this report is derived from web searches, as well as e-mail correspondence, written correspondence and phone interviews with municipal and public utility board employees.

Cities Chosen: The utilities reviewed served the top 100 Texas cities as defined by the 2010 U.S. Census. Ft. Hood (the 100th highest population center) was excluded because it is not a self-governed municipal entity. Therefore, Cleburne was instead added as the final city. The list of cities can be found at the Texas State Library and Archives Web site: <https://www.tsl.state.tx.us/ref/abouttx/popcity32010.html>.

Authors: This report was compiled by Paul Robbins, a research-writer with experience in environment and consumer protection, under a contract with Public Citizen of Texas. Valuable research was provided by Hillary Corgey of Public Citizen.

Sponsoring Organization: Public Citizen of Texas is a state affiliate of a national organization that advocates on behalf of consumers and the environment. It has 3,500 Texas members, 475 of whom live in Austin, and 350 who live in the surrounding communities served by Austin Energy.

2. Utilities Surveyed and Their Characteristics

Interestingly, all or parts of all of the 100 cities in this survey are served by a municipal utility or non-profit (municipal utility district or water authority) for water. Some of these cities are wholesale water customers of larger utilities such as Houston and Dallas, but have their own local systems to provide water and/or wastewater at the retail level. Though parts of some of these cities are served with private water companies, the near-universal presence of public water systems is in contrast to other utilities.

Of these 100 cities, 94 have at least one municipal utility that it owns and manages. The others are served by larger cities, municipal utility districts, and water authorities. In some cases, these six cities are supplemented with private water companies. These cities are The Woodlands, Missouri City, Atascocita, Spring, Channelview, and Socorro.

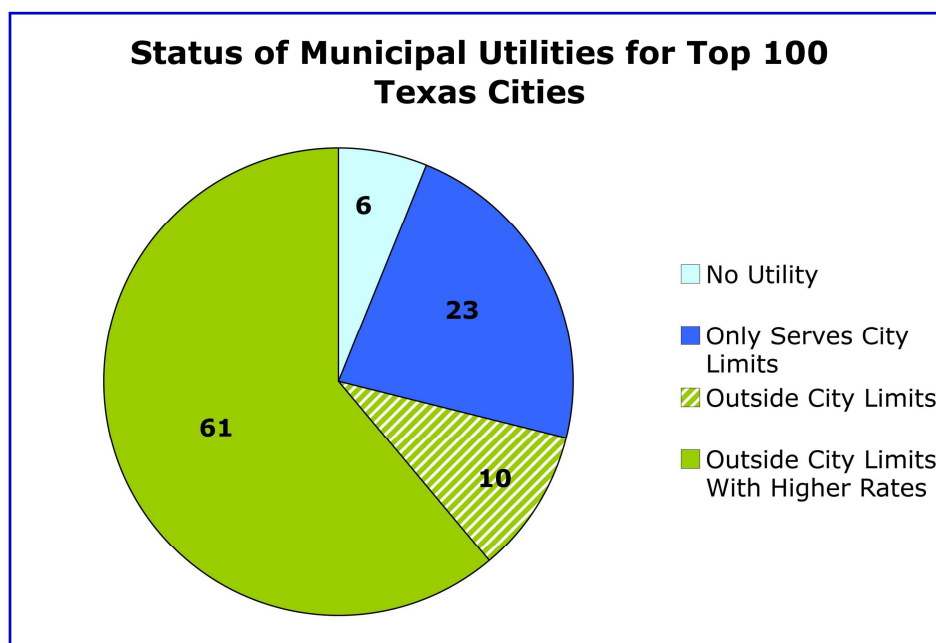
There are 11 cities that own their own electric systems. In order of size, they are San Antonio, Austin, Lubbock, Garland, Brownsville, Denton, College Station, Bryan, Georgetown, New Braunfels, and San Marcos. They represent 13% of the state's population, not including their out-of-city customers. Three of the Texas cities surveyed own municipal utilities for natural gas.

The majority of cities also manage agencies for solid waste and recycling, and drainage. However, not all of these are classified as utilities, as many are operated as city departments and do not make a profit.

3. Characteristics of Out-of-City Service

Of the 94 cities that own municipal utilities, at least 71 of these cities offer service to out-of-city customers. These include direct and wholesale customers. Of these, 61 cities own at least one utility that charges higher rates for out-of-city customers than those located inside their city limits.

One of these municipal utilities is an electric utility. Bryan's electric utility charges different rates for its rural customers than it does for its in-city customers. In some years, rural customers pay slightly higher rates and in some years they pay slightly lower rates. In fiscal year 2011/2012, rates were higher for rural areas.



4. Characteristics of Franchise Fee Payments by Municipal Utilities

In Texas, private utilities almost always pay franchise fees to city governments where their customers reside. In addition to property taxes, private utility companies typically pay cities for the use of public streets and right-of-ways. Of the at least 71 cities that own municipal utilities that serve residents outside of their cities, only 5 pay a franchise fee to those other towns. They were paid by San Antonio, Austin, Denton, Bryan and Georgetown for operation of their municipal electric utilities.

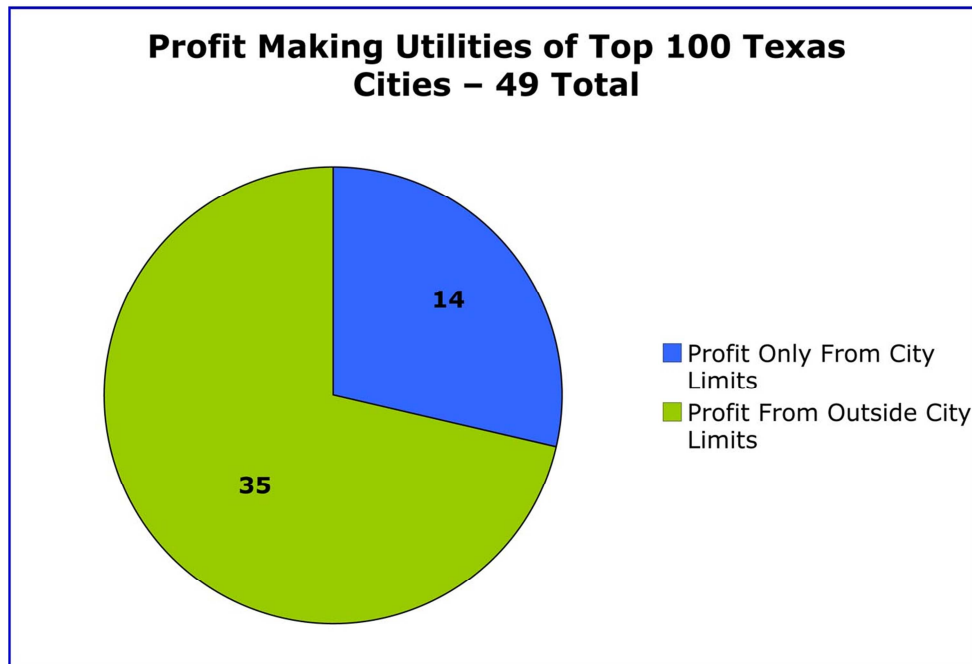
The way in which franchise fees are collected varies. Bryan charges an “add-on” franchise fee on top of the bill to its customers in neighboring College Station. That money is then transferred to the City of College Station. Many franchise fees for private companies are also levied in this manner.

However, in other cities that Bryan serves, as well as all of the out-of-town areas served by CPS Energy, Austin Energy, Denton and Georgetown, there is no additional charge on electric bills to cover franchise fees. Instead, a portion of the revenue that would have gone to the host city’s General Fund is instead given to the General Funds of the other cities that they serve.

Only one city with a municipal water utility, San Antonio Water System, awards franchise fees for water. Of the 16 other cities that it serves, it grants franchise fees to 6 of them in return for policy considerations, such as adopting its water conservation policies.

5. Characteristics of General Funds Transfers

Of the 94 cities that own municipal utilities, 49 of them make a rate of return that assists the General Fund departments of their host cities. These include 76% of cities with populations above 100,000 and 58% of cities with populations above 40,000. Of these 49 cities, at least 35 offer service to out-of-city customers and the revenues from those sales contribute directly to in-city services.



Granting special rate privileges to out-of-city customers was not apparent anywhere in the state. No municipal utility serves out-of-town customers at cost unless their in-city customers are also served at cost.

6. Percentage of Revenues Contributed by Municipally Owned Electric Utilities to General Fund

Another criticism of Austin by out-of-city ratepayers has to do with the percentage and amount of money transferred to the General Fund by the electric utility. Austin Energy transferred about \$103 million to the City General Fund in 2011. It also transferred an additional \$50 million for administrative support services (IT, Human Resources, legal, fleet, etc.). Such costs are common in most cities and utility boards, and are often labeled General and Administrative (G&A).

For FY 2011, this report attempted to look at both direct transfers (Return on Investment, or ROI) that go to fund other city departments such as fire and police, as well as G&A. There is not always a direct comparison because G&A is not always quantified or quantified fully. Further, not all utilities acknowledge costs in the same manner. San Antonio, for instance, does not break out G&A costs in its transfer, making it impossible to directly compare its ROI transfer to that of other Texas municipal electric providers. Also, some utilities may have in-house resources, such as an economic development office, which are funded through G&A in other cities.

The 11 Texas municipal electric utilities in this report represent 88% of municipal electric utility customers and over 90% of electric power supply (in kilowatt hours) sold by the 72 municipal electric utilities in the state in 2010.

The table below shows a comparison of General Fund transfers as a percentage of the overall expenditures of each utility. This analysis shows that, while Austin ranks at the higher end in both ROI transfers to the Austin General Fund and General Fund transfers that include both ROI payments and G&A cost, it is not the highest. Notably, San Antonio collects more from CPS Energy than Austin does from Austin Energy. Thus, more than half the total electric customers in this analysis contribute a greater percentage of their electric bill back to the city that owns the utility than those served by Austin Energy do.

The results are similar to those in a recent survey by the American Public Power Association that reveals that public utilities in the same U.S. region as Austin have a General Fund transfer almost identical to that in Austin.²

² American Public Power Association, Payments and Contributions by Public Power Distribution Systems to State and Local Governments, 2010 Data, Washington, D.C.: APPA, February 2012.

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| City With Electric Utility | Return on Investment Transfer (ROI) | Total Transfer (ROI and General Administrative costs) | # of Customers | % of Customers in Survey |
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| TOTAL | | | 1,520,571 | |

*Combined electric and water

In fiscal year 2011, 49 Texas cities collected about \$726 million from their municipal utilities to assist their General Funds. Two-thirds of this came from the 11 municipally owned electric utilities in this survey. It is probable that at least \$100 million of this is for administrative support from General Funds to the utility that is commingled and could not be broken out. (Most of this is from San Antonio's electric utility transfer.)

Most cities, including Austin, are somewhat transparent in identifying G&A costs. It is a common practice in many municipal governments to have an annual accounting study to quantify G&A support costs. But this is not universal, and it is beyond the scope of this report to do such an analysis for the cities that commingle ROI and G&A funds.

Appendix A: Municipal Utilities With Higher Rates Outside City Limits

Below is a list of municipalities that have at least one public utility whose rates are higher outside their city limits than inside their city limits. Documentation for this assertion is provided.

| City (in order of population) | Utilities Higher Outside City Limits | Documentation of Rates |
|-------------------------------|--------------------------------------|--|
| San Antonio | Water/Sewer | http://www.saws.org/service/rates/Resident.cfm |
| Ft. Worth | Water/Sewer | http://fortworthtexas.gov/water/info/default.aspx?id=79858 http://fortworthtexas.gov/water/info/default.aspx?id=79862&ekmense=73b29971_1308_2390_79862_1 |
| Corpus Christi | Water/Sewer/Gas | http://www.cctexas.com/?fuseaction=main.view&page=267 (Stormwater rate of \$2.21/M gallons not included out of city) |
| Garland | Water/Sewer | http://codes.franklinlegal.net/codes-flp/ – Code of ordinances-->Utility rates and fees-->Rates and fees-->Water service rates |
| Amarillo | Water | http://www.amarillo.gov/?page_id=939 |
| Brownsville | Water | http://municode.com/Library/TX – Utilities-->rates and charges-->sewer-->Sec 102-151 |
| Pasadena | Water/Sewer | http://municode.com/Library/TX – Water, sewers, and sewage-->water rates prescribed |
| McKinney | Water | http://municode.com/Library/TX – Appendix A Schedule of Fees-->Sec. 110-142 |
| Killeen | Water/Sewer | http://www.killeentexas.gov/pdf/kub/kubRates10-2010.pdf |
| Waco | Water/Sewer | http://www.wacowater.com/rates2011.html |
| Beaumont | Water/Sewer | http://codes.franklinlegal.net/codes-flp/ – General ordinances-->Utilities-->water and sewer regulations-->generally |
| Abilene | Water/Sewer | http://www.abilenetx.com/feeschedule/feeschedule.htm#watermultiple |
| Frisco | Water | http://www.friscotexas.gov/departments/utilitybilling/Pages/ServiceRates.aspx – View the ordinance, No. 11-09-45 |
| Denton | Water/Sewer | http://www.cityofdenton.com/index.aspx?page=328 |
| Midland | Water/Sewer | http://municode.com/Library/TX – Municipal code-->Departments-->Water department-->3-1-2. - Rates |
| Wichita Falls | Water/Sewer | http://municode.com/Library/TX – Code of ordinances-->utilities-->water service-->rates and charges-->Sec. 106-126-->g Code of ordinances-->utilities-->sewer service-->rates-->g |
| Odessa | Water/Sewer | http://www.odessa-tx.gov/index.aspx?page=267 |
| Round Rock | Water/Sewer | http://municode.com/Library/TX – Code of ordinances-->Chapter 44 - Utilities-->Article II. Water and Sewer Rates |
| Tyler | Water/Sewer/Trash | http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:tyler_tx – Chapter 19-->Sec 19.60 and 64 |
| San Angelo | Water | http://codes.franklinlegal.net/codes-flp/ – Utilities-->Sec. 11.304 for water |
| Pearland | Water/Sewer | http://www.ci.pearland.tx.us/index.asp?Type=B_BASIC&SEC={17F909FB-8BFF-48BD-B201-010B5C6E5F99} |
| Allen | Water/Sewer | http://municode.com/Library/TX – Code of ordinances-->utilities-->in general-->sec 14.5 (6) and 14-6 (6) |
| Longview | Water/Sewer | http://water.longviewtexas.gov/water-rates http://water.longviewtexas.gov/sanitation-rates |
| Sugar Land | Water/Sewer | http://municode.com/Library/TX – Public Property and Services-->Water and Wastewater-->rates and charges-->Sec. 5-248 |
| Edinburg | Water/Sewer/Trash | http://www.cityofedinburg.com/utilities-billing.php http://www.amlegal.com/library/tx/edinburg.shtml -->Title V: Public Works-->Chapter 51: Solid Waste Collections-->Section 51.8 |
| Mission | Water | http://www.missiontexas.us/city-departments/utility-billing-collections |
| Bryan | Water/Sewer/Electric | http://www.bryantx.gov/departments/?name=water http://btutilities.com/Residential/BillCalculator.aspx |
| Baytown | Water/Sewer | http://municode.com/Library/TX – Code of ordinances-->utilities-->water service-->rates Code of ordinances-->utilities-->sewer service-->sewer service charge |
| Temple | Water | Provided by Tiffany Yepna with Water Utility Billing Office |
| Harlingen | Water/Sewer | http://www.hwww.com/info/Rate%20Schedule%20water%20and%20sewer%202011.pdf |
| Flower Mound | Water/Sewer | From Misty Nelson, Utility Account Manager |

| | | |
|---------------|-------------------|---|
| Victoria | Water/Sewer | http://library.municode.com/ – Chapter 24 - Fees >> Article IV. - Water and Wastewater Rates |
| New Braunfels | Water/Sewer | http://municode.com/Library/TX – Rates->Water Rates |
| Mansfield | Water | http://www.mansfield-tx.gov/efiles/Departments/Utilities/water/feeschedule.pdf |
| Conroe | Water/Sewer | http://www.cityofconroe.org/Utility-Billing/utility-billing-home-page.html |
| Port Arthur | Water | http://municode.com/Library/TX – Code of ordinances->utilities->Water->service charges and billing->110.91-110.92 |
| Eules | Sewer | http://municode.com/Library/TX – Fees->Sec 30-35 |
| Galveston | Water/Sewer | http://municode.com/Library/TX – Water, sewer, and sewer disposal->waterworks->rates and charges |
| Georgetown | Water/Trash | http://billing.georgetown.org/rates/ |
| Pflugerville | Sewer/Trash | http://www.pflugervilletx.gov/documents/332/Water-Sewer-Garbage%20Rat_1.PDF |
| Grapevine | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->utilities and services->water and sewers->Sec 25.41-42 |
| San Marcos | Water/Sewer | http://www.sanmarcostx.gov/index.aspx?page=141 |
| Wylie | Water/Sewer | http://www.wylietexas.gov/CityHall/Services/utility_billing/water_and_sewer_rates.php |
| Keller | Water/Sewer | http://municode.com/Library/TX – Code->waters and sewers->sanitary sewer rates->Sec. 19-930 |
| Huntsville | Water/Sewer/Trash | http://www.huntsvilletx.gov/egov/docs/1329926480_139739.pdf |
| Sherman | Water/Sewer | http://codes.franklinlegal.net/codes-flp/ – Utilities->Utility billing->water rates->Sec. 13.07.003 b |
| Hurst | Water | http://municode.com/Library/TX – Code->utilities->water and sanitary sewers->generally-> Sec. 26-22 3a&b |
| Texarkana | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->water and sewers->water and sewer charges->Sec. 29-19 3 and b Code of ordinances->water and sewers->water and sewer charges->Sec. 29-21 b |
| The Colony | Water/Sewer | http://www.ci.the-colony.tx.us/depts/finance/utility/Documents/201010_Utility_Rates.pdf |
| Friendswood | Water/Sewer | http://www.ci.friendswood.tx.us/index.cfm?fuseaction=content.faq&faqTypeID=40 |
| Weslaco | Water | http://municode.com/Library/TX – Code of ordinances->utilities->service charges->water rates prescribed |
| Del Rio | Water/Sewer/Trash | http://www.cityofdelrio.com/DocumentView.aspx?DID=610 |
| Lufkin | Water/Sewer/Trash | http://cityoflufkin.com/uc/pdfs/utilityrates.pdf http://www.amlegal.com/library/tx/index.shtml – Title V: Public Works->Chapter 50->Rates and Charges |
| La Porte | Water/Sewer | Information from Brian Sterling, GIS Manager with City of LaPorte |
| Nacogdoches | Water/Sewer | http://www.ci.nacogdoches.tx.us/pdf/watersewer.pdf |
| Copperas Cove | Water | http://municode.com/Library/TX – Appendix C – Schedule of Fees |
| Deer Park | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->utilities->water and sewer->Sec. 106-37e |
| Schertz | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->utilities->water service->water rates established->e |
| Rosenberg | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->utilities->sanitary sewer->rates and charges->Sec. 29-135 Code of ordinances->utilities->water->water service->Sec. 29-50d |
| Waxahachie | Water/Sewer | http://municode.com/Library/TX – Code of ordinances->utilities-> rates and charges->Sec. 33-36c |
| Cleburne | Water/Sewer | http://www.amlegal.com/library/tx/index.shtml – Title V->Chapter 51->51.030 |

Appendix B: Sources

Information for this report was provided by the following people and sources. Cities are listed in order of population.

Houston

Sandra Jackson, Solid Waste Management, Department Public Information Office
Tam Nguyen, Administrative Assistant, Administration & Regulatory Affairs
Alvin Wright, Senior Staff Analyst, Public Information Officer, Public Works & Engineering Department, Office of the Director

San Antonio

Dan Crowley, Director of Financial Planning, San Antonio Water System
Frances M. Flores, CP, Certified Paralegal, City Public Service Energy, Legal Services Division
Budget for FY 2011

Dallas

Vera L. Bonner, Open Records Coordinator, Sanitation Services
Charles Friend, Dallas Water Utilities Administration
Terry S Lowery, Assistant Director, Business Operations, Dallas Water Utilities

Austin

Carlos Cordova, Corporate Communications, Austin Energy
Suzanne Gilchrist, Public Information Specialist Senior, Austin Water Utility
Budget for FY 2011

Ft. Worth

Skipper Shook, Sr. Utility Rate Analyst, Fort Worth Water and Wastewater

El Paso

Bob Andron, General Counsel, El Paso Water Utilities
Marcela Navarrete, CPA| Vice President, Strategic, Financial & Management Services, City of El Paso

Arlington

Medria Browhow, Financial Administrator, Arlington Water Utilities

Corpus Christi

Martha A. Messer, CPA, Chief Accountant

Plano

Stephanie Foster, Customer & Utility Services Manager
Mark Israelson, Office of Policy and Government Relations, Customer Utility Services
Casey Srader, Budget Manager

Laredo

Carla Robles, Water Conservation Planner
Carl Schwing, Asst. Utilities Director
Melissa A. Vidal, Assistant City Attorney

Lubbock

Dana Box, Customer Service Manager, Lubbock Power & Light
Chris Sims, Public Information Officer, Lubbock Power and Light
Celia Webb, Executive Assistant to the City Manager, City of Lubbock
Budget for FY 2011

Garland

David Schuler, Finance Director
Budget for FY 2011

Irving

Bret W. Starr, Budget Administrator

Amarillo

Michelle Bonner, Finance Director

Grand Prairie

Cathy Dimaggio, City Secretary
Ron McCuller, Public Works Director
Robert Myers, Financial Analyst
Patricia Redfearn, Solid Waste and Recycling Manager

Brownsville

Nancy Tello, Records Manager, Brownsville Public Utility Board
Budget for FY 2011

Pasadena

Wayne Long, City Controller

Mesquite

Dianna Childs, Executive Secretary, City Secretary's Office
Ted Chinn, Managing Director of Administrative Services

McKinney

Joe Williams, Assistant City Manager

McAllen

Gary Henrichson, Assistant City Attorney

Killeen

Linda Pemberton, Paralegal

Waco

June Skerik, Budget Director

Carrollton

Pamela Hodges, Controller

Beaumont

Todd Simoneaux, City Controller

Hani Tohme, Director, Water Utilities Department

Abilene

Mindy Patterson, Director of Finance

Frisco

Danny Collier, Assistant Finance Director

Jeremy Starritt, Environmental Services Manager

Denton

Jennifer Walters, City Secretary/Public
Information Coordinator

Budget for FY 2011

Midland

Ryan Stout, Multimedia Developer

Wichita Falls

Jim Dockery, Assistant City Mgr/CFO

Odessa

Andrea Goodson, Public Information Coordinator

Round Rock

Chris Childs, Budget Analyst

Richardson

Keith Dagen, Assistant Director of Finance

Tyler

Greg Morgan, Managing Director, Utilities & Public
Works

Lewisville

Kathy R. Hageman, Paralegal, City Attorney's
Office

College Station

Carol Baker-Roach, Utility Administration
Manager

Courtney Kennedy, Budget Supervisor

Carol Thompson, Budget & Financial Reporting
Manager
Budget for FY 2011

The Woodlands

No Public Utility

San Angelo

Morgan Trainer, Budget Manager
FY 2011 Budget

Pearland

Cyndi Martinez, Customer Service Supervisor

Rick Overgaard, Assistant Director of Finance

Fatima Uwakwe, Accounting Supervisor

Allen

Shelley George, City Secretary

League City

Karen Park, Budget Manager

Longview

Shelly Ballenger, City Secretary

Angela Coen, Finance Director

Sugar Land

Robin Hicks, Administrative Manager, Office of the
City Secretary

Edinburg

Joe Rios, Records Supervisor

Mission

Guillermo Seguin, Deputy City Manager

Bryan

Joe Hegwood, CFO, BTUtilities

Budget for FY 2011

Baytown

Leticia Brysch, City Clerk

Carl Currie, Comptroller

Pharr

Carlos Montemayor, Accountant, Finance
Department

Hilda Pedraza, City Clerk

Missouri City

No Public Utility

Temple

FY 2012 City Budget

Atascocita

No Public Utility

Harlingen

Elena Garza, City Secretary

Flower Mound

Tammy Wilson, Director of Accounting & Budget

North Richland Hills

Angel Bellard , Utility Service Manager

Victoria

Andrew Jacob, Assistant Director, Finance

New BraunfelsDana Butrym, New Braunfels Utilities
Debi Korinchock, Support Services Director
Gretchen Reuwer, NBU Communications Manager
CAFR for FY 2011**Mansfield**

Joe Smolinski, Director of Utilities

Conroe

Collin Boothe, CGFO , Assistant Director of Finance

Rowlett

Stacey Chadwick, Interim City Secretary

Spring

No Public Utility

Port ArthurDeborah Echols, Director of Finance
Kelly Eldridge, Director of Port Arthur Utility
Operations**Eules**

Kim Sutter, City Secretary

DeSoto

Laura Hallmark, City Secretary

Cedar Park

LeAnn Quinn, City Secretary

Galveston

Judy Murphy, Interim Finance Director

GeorgetownChris Foster, Chief Financial Analyst
Lisa Haines, Chief Accountant
Budget for FY 2011**Bedford**

Michael Wells, City Secretary

Pflugerville

Lauri Gillam, Assistant City Manager

Grapevine

Jodi C. Brown, City Secretary

Texas City

Nick Finan, City Secretary

Cedar Hill

Hardy Browder, Finance Director

San MarcosSteve Parker, Director of Finance
Elizabeth Trevino, Records Management Program
Administrator
Budget for FY 2011**Haltom City**

Art Camacho, City Secretary

WylieJeff Butters, Assistant City Manager
Carole Ehrlich, City Secretary**Keller**

Jonathan Phillips, Management Assistant

Coppell

Chad Beach, Asst. Director of Finance

Huntsville

Lee Woodward, City Secretary

Duncanville

Richard Summerlin, Finance Director

Sherman

Mary Lawrence, Controller

Channelview

No Public Utility

Rockwall

Mary Smith, Director of Finance

Hurst

Candy Herrington, Assistant to City Secretary

Burleson

Cathy Bourg, Deputy City Secretary

Texarkana

Kerry Meredith, City Secretary

Lancaster

Sheree Haynes, Finance Director

The Colony

David Cranford, Director of Finance

Christie Wilson, City Secretary

Friendswood

Susan Ballard, Records Clerk, City Secretary's Office

Weslaco

David Salinas, Public Utilities Director

Del Rio

Manuel Chavez, Finance Director

Lufkin

Kara Atwood, City Secretary

Belinda Southern, Director of Finance

San Juan

Ramiro Lopez, Director of Finance

La Porte

Bonnie Garrison, Records Specialist

Traci Leach, Assistant City Manager

Nacogdoches

Jim Sparks, Finance Director

Copperas Cove

Ryan D Haverlah, Budget Director

Socorro

No Public Utility

Deer Park

Tracy McBride, Purchasing Coordinator

Schertz

Robert J. Galindo, Assistant Director of Finance

Rosenberg

Linda Cernosek, City Secretary

Waxahachie

Charlie Harris, Director of Finance

Cleburne

Jenny Hundt, Budget Department

Appendix C: Selected Analysis of Municipal Utilities in Large Texas Cities

Code: D = Drainage E = Electric NG = Natural Gas S = Solid Waste & Recycling W = Water/wastewater

*=Notes at bottom for details on various cities

General Fund transfers are usually for Return on Investment. If General and Administrative costs (G&A) cannot be broken out, this is noted below.

| City | Population | Utilities | General Fund Transfer | Transfer to General Fund | Profit Made Out of City | Utility Serves Out of City | Higher Rates Out of City |
|----------------|------------|-------------|-----------------------|--------------------------|-------------------------|----------------------------|--------------------------|
| TOTAL | | | \$726,038,134 | 49 | 35 | 71 | 61 |
| Houston | 2,099,451 | W | NA | | | | |
| | | S | NA | | | | |
| San Antonio | 1,327,407 | E | \$303,482,000 | ✓ | ✓ | ✓ | ✓ |
| | | W | \$10,926,000 | | | | |
| Dallas | 1,197,816 | W | \$37,200,000 | ✓ | ✓ | ✓ | |
| | | S | NA | | | | |
| Austin | 790,390 | E | \$103,000,000 | ✓ | ✓ | ✓ | |
| | | W | \$35,484,438 | | | | |
| Ft. Worth | 741,206 | W | \$12,322,546 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$4,483,971 | | | | |
| El Paso | 649,121 | W | \$10,428,585 | ✓ | ✓ | ✓ | |
| Arlington | 365,438 | W | \$7,092,049 | ✓ | ✓ | | |
| Corpus Christi | 305,215 | NG, W, S, D | \$6,000,000 | ✓ | | ✓ | ✓ |
| Plano | 259,841 | W | \$7,837,521 | ✓ | ✓ | ✓ | |
| | | S | \$892,568 | | | | |
| Laredo | 236,091 | W | NA | | | ✓ | |
| | | S | NA | | | | |
| Lubbock | 229,573 | E | \$11,689,598 | ✓ | ✓ | ✓ | |
| | | W | \$10,417,568 | | | | |
| | | S | \$2,056,727 | | | | |
| Garland | 222,013 | E | \$19,451,298 | ✓ | ✓ | ✓ | ✓ |
| | | W | \$8,706,919 | | | | |
| | | S | \$698,461 | | | | |
| Irving | 216,290 | W | NA | | | | |
| | | S | NA | | | | |
| Amarillo | 185,743 | W | \$1,642,486 | ✓ | ✓ | ✓ | ✓ |
| Grand Prairie | 175,960 | W | \$2,092,534 | ✓ | | | |
| | | S | \$306,168 | | | | |
| Brownsville | 175,023 | E | \$8,415,202 | ✓ | ✓ | ✓ | ✓ |

| City | Population | Service Type | Revenue | Category 1 | Category 2 | Category 3 | Category 4 |
|-----------------|------------|----------------|--------------|------------|------------|------------|------------|
| | | W | \$4,666,211 | | | | |
| Pasadena | 149,043 | W | NA | | | ✓ | ✓ |
| Mesquite | 139,824 | W | NA | | | ✓ | |
| McKinney | 131,117 | W | NA | | | ✓ | ✓ |
| McAllen | 129,877 | W | NA | | | ✓ | |
| | | S | NA | | | | |
| Killeen | 127,921 | W | \$2,347,492 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$1,022,184 | | | | |
| Waco | 124,805 | W | \$4,513,552 | ✓ | ✓ | ✓ | ✓ |
| Carrollton | 119,097 | W | \$2,392,321 | ✓ | | | |
| | | S | \$828,900 | | | | |
| Beaumont | 118,296 | W | \$6,730,000 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$1,806,000 | | | | |
| Abilene | 117,063 | W | NA | ✓ | ✓ | ✓ | ✓ |
| | | S | \$2,000,000 | | | | |
| Frisco | 116,989 | W | NA | ✓ | | ✓ | ✓ |
| | | S | \$285,000 | | | | |
| | | D | | | | | |
| Denton | 113,383 | E | \$10,022,554 | ✓ | ✓ | ✓ | ✓ |
| | | W | \$2,245,525 | | | | |
| | | S | \$1,038,156 | | | | |
| Midland | 111,147 | W | \$3,150,000 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$350,000 | | | | |
| Wichita Falls | 104,553 | W | \$914,800 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$709,613 | | | | |
| Odessa | 99,940 | W | \$2,547,838 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$1,047,388 | | | | |
| Round Rock | 99,887 | W | NA | | | ✓ | ✓ |
| Richardson | 99,223 | W | \$2,375,638 | ✓ | ✓ | | |
| | | S | \$571,307 | | | | |
| Tyler | 96,900 | W | \$1,615,244 | ✓ | ✓ | ✓ | ✓ |
| | | S | \$470,401 | | | | |
| Lewisville | 95,290 | W | \$1,386,391 | ✓ | | | |
| College Station | 93,857 | E | \$7,309,891 | ✓ | | | |
| | | W | \$1,516,803 | | | | |
| | | S | \$559,596 | | | | |
| The Woodlands | 93,847 | SERVED BY MUDS | | NA | | | |
| San Angelo | 93,200 | W | | | | ✓ | ✓ |
| | | S | | | | | |
| Pearland | 91,252 | W | NA | | | ✓ | ✓ |

| | | | | | | |
|----------------------|--------|--------------------------------------|-------------|---|------------|---|
| Allen | 84,246 | W | NA | | ✓ | ✓ |
| | | S | NA | | | |
| League City | 83,560 | W | NA | | ✓ | |
| Longview | 80,455 | W | NA | | ✓ | ✓ |
| | | S | NA | | | |
| Sugar Land | 78,817 | W | NA | | ✓ | ✓ |
| | | S | NA | | | |
| Edinburg | 77,100 | W | NA | ✓ | ✓ | ✓ |
| | | S | \$1,514,289 | | | |
| Mission | 77,058 | W | NA | | Non-profit | ✓ |
| | | S | NA | | | ✓ |
| Bryan | 76,201 | E | \$9,049,304 | ✓ | ✓ | ✓ |
| | | W | \$3,113,000 | | | |
| | | S | \$1,141,000 | | | |
| Baytown | 71,802 | W | NA | | ✓ | ✓ |
| | | S | | | | |
| Pharr | 70,400 | W | NA | | ✓ | |
| Missouri City | 67,358 | SERVED BY MUDS AND PRIVATE COMPANIES | | | NA | |
| Temple | 66,102 | W | \$1,319,444 | ✓ | ✓ | ✓ |
| | | S | NA | | | |
| Atascocita | 65,844 | SERVED BY HOUSTON & MUDS | | | NA | |
| Harlingen | 64,849 | W | NA | | ✓ | ✓ |
| Flower Mound | 64,669 | W | NA | | ✓ | ✓ |
| | | D | | | | |
| North Richland Hills | 63,343 | W | NA | | | |
| Victoria | 62,592 | W | \$2,271,000 | ✓ | ✓ | ✓ |
| | | S | \$506,300 | | | |
| New Braunfels | 57,740 | E | \$5,800,000 | ✓ | ✓ | ✓ |
| | | W | | | | |
| Mansfield | 56,368 | W | NA | | ✓ | ✓ |
| Conroe | 56,207 | W | \$377,177 | ✓ | ✓ | ✓ |
| Rowlett | 56,199 | W | \$2,109,193 | ✓ | | |
| Spring | 54,298 | SERVED BY HOUSTON | | | NA | |
| Port Arthur | 53,818 | W | NA | | ✓ | ✓ |
| | | S | | | | |
| Eules | 51,277 | W | \$927,201 | ✓ | ✓ | ✓ |
| DeSoto | 49,047 | W | \$1,266,051 | ✓ | | |
| Cedar Park | 48,937 | W | \$930,798 | ✓ | | |
| Galveston | 47,743 | W | \$400,000 | ✓ | ✓ | ✓ |

| City | Population | County | Amount | Category 1 | Category 2 | Category 3 | Category 4 |
|---------------|------------|-------------------|-------------|------------|------------|------------|------------|
| Georgetown | 47,400 | S | \$200,000 | | | | |
| | | E | \$5,567,315 | ✓ | ✓ | ✓ | ✓ |
| | | W | \$2,660,957 | | | | |
| Bedford | 46,979 | D | \$203,604 | | | | |
| | | W | \$953,265 | ✓ | | | |
| Pflugerville | 46,936 | W | NA | | | ✓ | ✓ |
| Grapevine | 46,334 | W | NA | | | ✓ | ✓ |
| Texas City | 45,099 | W | NA | | | | |
| Cedar Hill | 45,028 | W | \$726,659 | ✓ | | | |
| San Marcos | 44,894 | E | \$3,613,827 | ✓ | ✓ | ✓ | ✓ |
| | | W | \$2,200,000 | | | | |
| Haltom City | 42,409 | W | \$1,767,560 | ✓ | | | |
| | | D | \$146,075 | | | | |
| Wylie | 41,427 | W | NA | | | ✓ | ✓ |
| Keller | 39,627 | NA | No | | | ✓ | ✓ |
| Coppell | 38,659 | W | NA | | | | |
| Huntsville | 38,548 | W | NA | | | ✓ | ✓ |
| Duncanville | 38,524 | W | NA | | | ✓ | |
| Sherman | 38,521 | W | \$969,000 | ✓ | ✓ | ✓ | ✓ |
| Channelview | 38,289 | SERVED BY HOUSTON | | NA | | | |
| Rockwall | 37,490 | W | NA | | | | |
| Hurst | 37,337 | W | \$968,520 | ✓ | | | ✓ |
| Burleson | 36,690 | W | \$525,000 | | | | |
| Texarkana | 36,411 | W | \$500,000 | | | ✓ | ✓ |
| Lancaster | 36,361 | W | NA | | | | |
| The Colony | 36,328 | W | \$2,405,000 | ✓ | ✓ | ✓ | ✓ |
| Friendswood | 35,805 | W | NA | | | ✓ | ✓ |
| Weslaco | 35,670 | W | NA | | | ✓ | ✓ |
| Del Rio | 35,591 | S | | | | | |
| | | W | NA | | | ✓ | ✓ |
| Lufkin | 35,067 | NG | | | | | |
| | | W | NA | | | ✓ | ✓ |
| San Juan | 33,856 | S | NA | | | | |
| | | W | \$407,820 | ✓ | | | |
| La Porte | 33,800 | S | \$211,430 | | | | |
| | | W | NA | | | ✓ | ✓ |
| Nacogdoches | 32,996 | W | \$1,564,900 | ✓ | ✓ | ✓ | ✓ |
| | | S | | | | | |
| Copperas Cove | 32,032 | W | NA | | | ✓ | ✓ |
| | | S | NA | | | | |

| City | Population | Service Type | Value | Category 1 | Category 2 | Category 3 |
|------------|------------|-------------------|-----------|------------|------------|------------|
| Socorro | 32,013 | SERVED BY EL PASO | NA | | | |
| Deer Park | 32,010 | W | NA | | ✓ | ✓ |
| Schertz | 31,465 | W | \$673,000 | ✓ | ✓ | ✓ |
| Rosenberg | 30,618 | W | NA | | ✓ | ✓ |
| Waxahachie | 29,621 | W | NA | | ✓ | ✓ |
| | | S | | | | |
| Cleburne | 29,337 | W | NA | | ✓ | ✓ |

Notes**San Antonio**

Electric is up to 14% of gross revenue. G&A is not tracked.

Water is a 2.7% gross revenue. G&A is not tracked.

San Antonio Water System serves 16 other cities; 6 of them receive a franchise fee of 2%; 6 also get rates of in-city customers because they have adopted SAWS conservation rules or for some other consideration.

Corpus Christi

These utilities usually function as non-profits. In FY 2011, there was a one-time transfer (\$6 million) from the Drainage utility to the General Fund.

Plano

The Solid Waste transfer is based on 7% of Residential Collection, Special Refuse Collection and Landscape Bag revenues. G&A is not tracked.

Laredo

The transfer to the General Fund is erratic and cannot be quantified for 2011

Brownsville

Economic Assistance from electric utility (\$2.5 million) was a one-time transfer to the General Fund in 2011 for emergency situation.

Mesquite

There is a transfer of \$4,550,000. However, the money has been fixed at this amount since 2003 and is not for any specified purpose. G&A is not tracked.

Abilene

In 2011, there was a \$2 million transfer from the landfill to the General Fund. The landfill serves out of city customers.

Victoria

10% transfer of gross revenues on water; G&A is not tracked.

15% transfer of gross revenues on Solid Waste; G&A is not tracked.

New Braunfels

ROI is for combined Electric and Water utilities.

Cedar Hill

4.5% franchise fee equivalent for water; G&A is not tracked.

San Juan

G&A not broken out.

Schertz

G&A not broken out.