



Control Number: 42934



Item Number: 41

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DOCKET NO. 42934

2016 JUN 30 AM 11:12

APPLICATION OF MANVILLE §  
WATER SUPPLY CORPORATION §  
AND LAKESIDE WATER CONTROL §  
AND IMPROVEMENT DISTRICT 2C §  
FOR APPROVAL OF A SERVICE §  
AGREEMENT IN TRAVIS COUNTY §  
(37795-C) §

PUBLIC UTILITY COMMISSION  
FILING CLERK

PUBLIC UTILITY COMMISSION

OF TEXAS

**LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C'S  
RESPONSE TO STAFF'S SECOND REQUEST FOR INFORMATION QUESTION NOS.  
STAFF 2-1 THROUGH STAFF 2-5**

Pursuant to 16 Tex. Admin. Code ("TAC") § 22.144, comes now Lakeside Water Control and Improvement District No. 2C (the "District"), by and through its undersigned attorneys of record, and files this Response to the Public Utility Commission ("Commission") Staff's Second Request for Information Question Nos. Staff 2-1 through Staff 2-5. This response may be treated by all parties as if was filed under oath.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE &  
TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900  
Austin, Texas 78701  
(512) 322-5800  
(512) 472-0532 (Fax)



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ATTORNEYS FOR LAKESIDE WATER  
CONTROL AND IMPROVEMENT DISTRICT  
NO. 2C

41

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was transmitted by fax, hand-delivery and/or regular, first class mail on this 30th day of June 2016 to the parties of record.

  
\_\_\_\_\_  
David J. Klein

**DOCKET NO. 42934**

**LAKESIDE WCID NO. 2C'S RESPONSE TO  
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-5**

**Staff 2-1** Please state the estimated additional connections per year for the next three years for wastewater and anticipated final connection count.

**RESPONSE:** The District estimates that the additional wastewater connections per year for the next three years will be 100 per year, and the anticipated final connection count is 1,294 connections.

Prepared by: David Klein  
Sponsored by: Keith Collins, P.E.

**Staff 2-2** Please confirm that the current water active connection count is 535 and the total anticipated water connection count is 1,294, as shown in docket 42932, under response to Staff's RFI 3-2.

**RESPONSE:** The District confirms the response to Staff's RFI 3-2 in Docket No. 42932, as it pertains to the District.

Prepared by: David Klein  
Sponsored by: Keith Collins, P.E.

**Staff 2-3** Please provide a plan for build out with dates and dollar amounts, for the water and wastewater facility installation, respectively, per year for the next three years.

**RESPONSE:** The proposed development in WCID 2C is expected to continue growing at about 100 lots per year. The costs to extend water infrastructure for that level of development will be approximately \$422,000/year. Wastewater infrastructure costs would be about \$394,000/year.

Prepared by: David Klein  
Sponsored by: Keith Collins, P.E.

**Staff 2-4** Please provide a letter from the District's financial advisor indicating that, (a) the District is able to issue debt (bonds) in an amount sufficient to cover capital requirements to provide continuous and adequate service, including required build out and (b) the District has financial ability to pay all debt service for the next two years.

**RESPONSE:** See the letter from the District's financial advisor, attached hereto as Attachment 1.

Prepared by: David Klein  
Sponsored by: John Barganski

**Staff 2-5** Please provide the District's 2016 budget.

**RESPONSE:** The District's fiscal year begins on October 1 and ends on September 30. Accordingly, attached hereto as Attachment 2 is the District's 2015-2016 budget.

Prepared by: David Klein  
Sponsored by: Jeff Monzingo





**John Barganski**  
Director

June 28, 2016

Ms. Margaret Uhlig Pemberton  
Division Director  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
Austin, Texas 78711

Dear Ms. Pemberton:

This letter is written in connection with the Application of Manville Water Supply Corporation and Lakeside Water Control and Improvement District 2C for Approval of a Service Agreement in Travis County (Docket No. 42934).

Staff 2-4: Please provide a letter from the District's financial advisor indicating that, (a) the District is able to issue debt (bonds) in an amount sufficient to cover capital requirements to provide continuous and adequate service, including required build out and (b) the District has the financial ability to pay all debt service for the next two years.

Sponsor: John Barganski, FirstSouthwest, a Division of Hilltop Securities

Answer: As the District's Financial Advisor, I believe the District is able to issue bonds in an amount sufficient to cover capital requirements to provide continuous and adequate service, including the required build out. Also, the District does have the financial ability to pay all debt service for the next two years.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John Barganski", is written in a cursive style.

John Barganski  
Director

cc: Mr. David Klein, Lloyd Gosselink Rochelle & Townsend, P.C.  
Ms. Christie Dickenson, Lloyd Gosselink Rochelle & Townsend, P.C.

Hilltop Securities Inc  
300 West 6th Street  
Suite 1940  
Austin, Texas 78701

direct 512 481 2030  
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HilltopSecurities.com

**RESOLUTION ADOPTING 2015-2016 DISTRICT BUDGET**

THE STATE OF TEXAS

COUNTY OF TRAVIS

LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C

§  
§  
§  
§  
§

WHEREAS, a regular meeting of the Board of Directors of Lakeside Water Control and Improvement District No. 2C (the "District") was held on October 13, 2015.

WHEREAS, the Board of Directors has projected the operating expenses and revenues for the District for the period October 1, 2015 through September 30, 2016, and now desires to adopt a budget consistent therewith.

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LAKESIDE WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2C THAT:**

1. That the operating budget attached hereto as Exhibit "A" is hereby adopted.
2. The Secretary of the Board of Directors is hereby directed to file a copy of this Resolution Adopting the 2015-2016 District Budget in the official records of the District.

ADOPTED this 13th day of October, 2015.

**LAKESIDE WATER CONTROL AND  
IMPROVEMENT DISTRICT NO. 2C**

  
\_\_\_\_\_  
Scott Stratton, Vice President

ATTEST:

  
\_\_\_\_\_  
Larry English, Secretary

[DISTRICT SEAL]

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LAKESIDE WCID NO. 2C  
Statement of Projected Revenues and Expenditures  
Budget for the Fiscal Year October 1, 2015 to September 30, 2016

<u>Revenues</u>	
Water Revenue	\$ 290,000
Wastewater Revenue	240,000
Tap Connection Fees	48,000
Maintenance Taxes	393,601
Interest Income	1,000
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Total Revenues	972,601
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<u>Expenditures</u>	
Water Fees	160,000
Wastewater Fees	240,000
Audit Fees	10,500
Legal Fees	55,000
Accounting Fees	15,000
Engineering Fees	25,000
City of Pflugerville Fees	86,000
Maintenance	125,000
Drainage maintenance	7,500
Director Fees and Payroll Taxes	10,000
Insurance	6,000
Appraisal and collection fees	7,500
Other fees	12,000
Meeting expense	2,500
Mileage reimbursement	5,000
Amenity center	5,000
MS4 permitting	12,500
Channel & outfall maintenance	5,000
PUC CCN legal fees	2,000
Sewer CCN application legal	6,000
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Total Expenditures	797,500
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Projected Excess Revenue Over Expenditures	175,101
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Operating Fund Bank Balance 9/30/15	595,964
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Projected Operating Fund Bank Balance 9/30/16	\$ 771,065
	<hr/>

Lakeside WCID No. 2C  
Statement of Projected Revenues and Expenditures  
Budget for the Fiscal Year October 1, 2015 to September 30, 2016  
Debt Service Fund

Revenues

Property Taxes	\$ 611,117
Interest	<u>1,000</u>
Total Revenues	<u>612,117</u>

Expenditures

Principal	265,000
Interest	<u>367,957</u>
Total Expenditures	<u>632,957</u>

Projected Excess (deficit) Revenue Over (under) Expenditures	(20,840)
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Debt service bank balance 9/30/15	<u>439,821</u>
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Projected debt service bank balance 9/30/16	<u><u>\$ 418,981</u></u>
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**LAKESIDE WCID NO. 2C**  
**Budget for the Fiscal Year October 1, 2015 to September 30, 2016**

<b>Property Taxes</b>			
		<b>Debt</b>	<b>M &amp; O</b>
Taxable value	\$105,692,982		
Tax rate	\$0.97	\$ 0.59	\$ 0.38
Tax levy	\$1,025,222	\$623,589	\$401,633
98% collection rate		\$ 611,117	\$ 393,601

<b>Tap Fees</b>	
<b>Tap fees</b>	<b>City fee</b>
60	60
\$800	\$100
\$48,000	\$6,000

<b>Wastewater</b>	
<b>Wastewater</b>	<b>Provider fee</b>
\$240,000	\$240,000

<b>Water</b>		
<b>Water</b>	<b>City fee</b>	<b>Provider fee</b>
\$290,000	\$80,000	\$160,000