

HEATH 1-2. If any of Forney Lake's property may be rendered useless and valueless if single certification as requested by Heath in its application is granted, please identify each separate component of such property and provide the following information:

- a. The type or nature of the property (e.g. water lines, water storage facilities, pumps, valves, meters, vaults, easements, etc.).
  - b. The location or address of the property, and for water lines or easements the beginning and end point of the property that may be rendered useless or valueless.
  - c. A map depicting the location of the property in Forney Lake's system.
  - d. The size and capacity of the property.
  - e. The use of the property before single certification and the use of the property, if any, after single certification.
  - f. The year in which the property was placed in service.
  - g. Forney Lake's original cost to acquire and install the property.
  - h. Financing used to acquire the property
  - i. Forney Lake's current book value for the property.
  - j. **(Revised as Agreed)** Please admit that Heath's application does not indicate any assets or facilities to be transferred to Heath.
- a-i. FLWSC is gathering this information. This request will be supplemented.
- j. Heath's application does not appear to indicate any assets or facilities to be transferred to Heath

Responses a-i. Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

Responses j. Prepared by Robin Baley; sponsoring witness Robin Baley.

HEATH 1-3 Please produce all documents concerning or relating to Forney Lake's belief that its property may be rendered useless and valueless if single certification as requested by Heath in its application is granted.

FLWSC is gathering this information. This request will be supplemented.

Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

HEATH 1-4. Please provide all master plans, or other planning or engineering reports describing Forney Lake's water supply system used to supply retail water service within the corporate limits of Heath.

None.

Prepared by Robin Baley; sponsoring witness Robin Baley.

**HEATH 1-5** Please identify any customers to whom Forney Lake currently provides retail water service within the tracts identified in "Attachment 12.A" of Heath's application for single certification.

FLWSC serves customers at the following addresses:

260 Terry Lane, 809 Hubbard, 405 Hubbard, 520 Meadowview, 206 Crips, 524 Hubbard, 300 Terry Lane, and 255 Meyers

Prepared by Robin Baley; sponsoring witness Robin Baley.

**HEATH 1-6 WITHDRAWN BY AGREEMENT**

**HEATH 1-7.** If Forney Lake contends that Heath's application for single certification requests authority to provide service to customers or areas currently receiving retail water service from Forney Lake, please provide the following information related that contention:

- a. Identity the language from Heath's application that supports this contention.
- b. Identify the customers or areas currently receiving retail water service from Forney Lake that you contend Heath's application will affect.
- c. Please produce all documents concerning or relating to that contention.

FLWSC has not made such a contention at this time.

Prepared by Robin Baley; sponsoring witness Robin Baley.

HEATH 1-8. (Revised as Agreed) Please admit that all of Forney Lake's water utility facilities currently used to provide retail water service to its customers before the grant of single certification as requested by Heath will continue to be used for that purpose provided the single certification requested is granted.

At this time, FLWSC can admit. However, FLWSC reserves the right to amend.

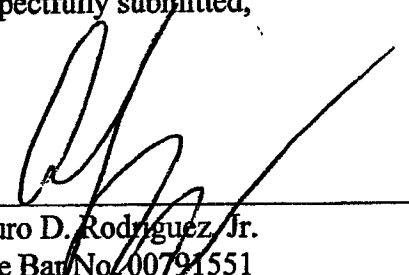
Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

HEATH 1-9 If Forney Lake does not admit to RFI 1-8, please identify the specific components of Forney Lake's facilities that will not be used to provide water utility service to Forney Lake's existing customers following the grant of the single certification as requested by Heath.

N/A

Prepared by \_\_\_\_\_; sponsoring witness \_\_\_\_\_.

Respectfully submitted,

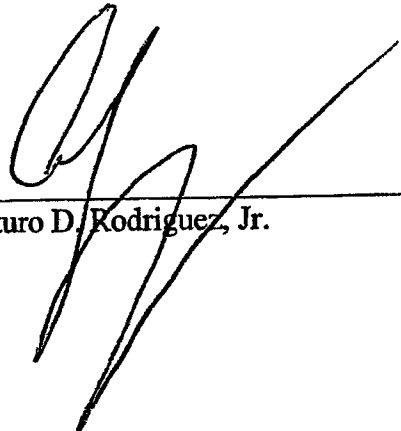


\_\_\_\_\_  
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F: (866) 929-1641

ATTORNEY FOR FORNEY LAKE WATER  
SUPPLY CORPORATION

**CERTIFICATE OF SERVICE**

I hereby certify that on the 30<sup>th</sup> day of April, 2015, a true and correct copy of the foregoing document was served on all parties in accordance with PUC Procedural Rule 22.74.

  
\_\_\_\_\_  
Arturo D. Rodriguez, Jr.

A. J. Smullen  
Attorney – Legal Division  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
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Representing the Public Utility Commission of Texas

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Facsimile: (512) 703-2785  
Representing City of Heath

**PUC DOCKET NO. 44541**

**APPLICATION OF CITY OF HEATH  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY AND  
TO DECERTIFY A PORTION OF  
FORNEY LAKE WATER SUPPLY  
CORPORATION'S SERVICE AREA IN  
ROCKWALL COUNTY**

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**PUBLIC UTILITY COMMISSION  
OF  
TEXAS**

**FORNEY LAKE WATER SUPPLY CORPORATION'S FIRST SUPPLEMENTAL  
RESPONSE TO CITY OF HEATH'S FIRST REQUEST FOR INFORMATION**

Comes now Forney Lake Water Supply Corporation ("FLWSC") and files its First Supplemental Response to the City of Heath's First Request for Information. All parties may treat the answers as if they were filed under oath.

FLWSC files these responses without agreeing to the relevancy of the information sought and without waiving its right to object at the time of hearing to the admissibility of the information provided herein.

**FLWSC'S RESPONSES:**

HEATH 1-2. If any of Forney Lake's property may be rendered useless and valueless if single certification as requested by Heath in its application is granted, please identify each separate component of such property and provide the following information:

- a. The type or nature of the property (e.g. water lines, water storage facilities, pumps, valves, meters, vaults, easements, etc.).
- b. The location or address of the property, and for water lines or easements the beginning and end point of the property that may be rendered useless or valueless.
- c. A map depicting the location of the property in Forney Lake's system.
- d. The size and capacity of the property.
- e. The use of the property before single certification and the use of the property, if any, after single certification.

- f. The year in which the property was placed in service.
- g. Forney Lake's original cost to acquire and install the property.
- h. Financing used to acquire the property
- i. Forney Lake's current book value for the property.
- j. **(Revised as Agreed)** Please admit that Heath's application does not indicate any assets or facilities to be transferred to Heath.
- a. Portions of distribution waterlines, booster pumps, elevated storage tanks, ground storage tanks, transmission waterlines, electrical/SCADA, valves, fittings, appurtenances, and easements and emergency genset.
- b. See map attached as Exhibit Heath RFI 1-2.
- c. See map attached as Exhibit Heath RFI 1-2.
- d. The size of the facilities are as indicated below:
  - 1.5", 2", 2.5", 4", 6", 8" 10" and 12" waterlines;
  - 100,000, 150,000, 200,000, and 2 ea. - 500,000 ground storage tanks;
  - 500,000 gallon elevated tank;
  - 3,000 GPM booster pump station;
  - 2 ea. - 1,500 GPM booster pumps and building;
  - 3 ea. - 1,500 GPM booster pumps and building;
  - 230 KW genset; and
  - 275 KW genset.
- e. The property is currently being utilized to provide potable water service to the customers of FLWSC. A share of the facilities will no longer be utilized after single certification.

Responses a-e. Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

HEATH 1-3 Please produce all documents concerning or relating to Forney Lake's belief that its property may be rendered useless and valueless if single certification as requested by Heath if its application is granted.

See map provided as Exhibit Heath RFI 1-2 and documents contained in Exhibit Heath RFI 1-3.

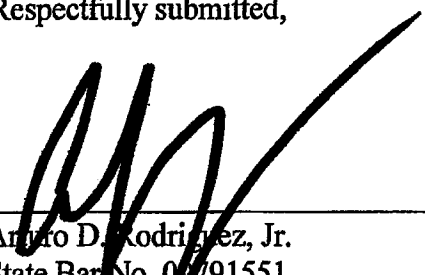
Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

HEATH 1-8. **(Revised as Agreed)** Please admit that all of Forney Lake's water utility facilities currently used to provide retail water service to its customers before the grant of single certification as requested by Heath will continue to be used for that purpose provided the single certification requested is granted.

At this time, FLWSC can admit, except for specific distribution lines located in the single certification area. FLWSC reserves the right to amend.

Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

Respectfully submitted,

  
Amato D. Rodriguez, Jr.  
State Bar No. 07791551  
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Georgetown, Texas 78628  
T: (512) 930 1317  
F: (866) 929-1641

ATTORNEY FOR FORNEY LAKE WATER  
SUPPLY CORPORATION



**CERTIFICATE OF SERVICE**

I hereby certify that on the 8<sup>th</sup> day of May, 2015, a true and correct copy of the foregoing document was served on all parties in accordance with PUC Procedural Rule 22.74.

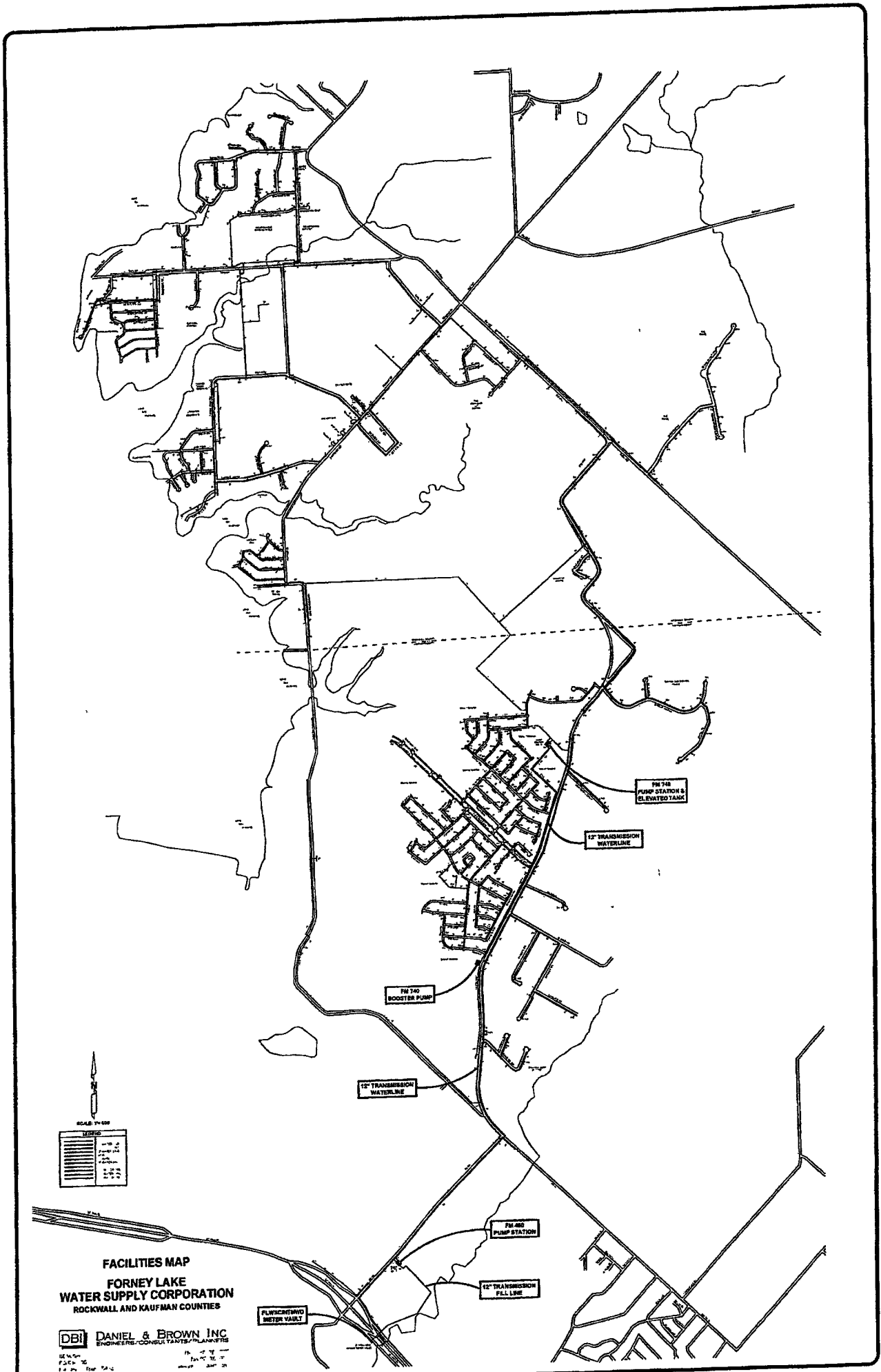
  
\_\_\_\_\_  
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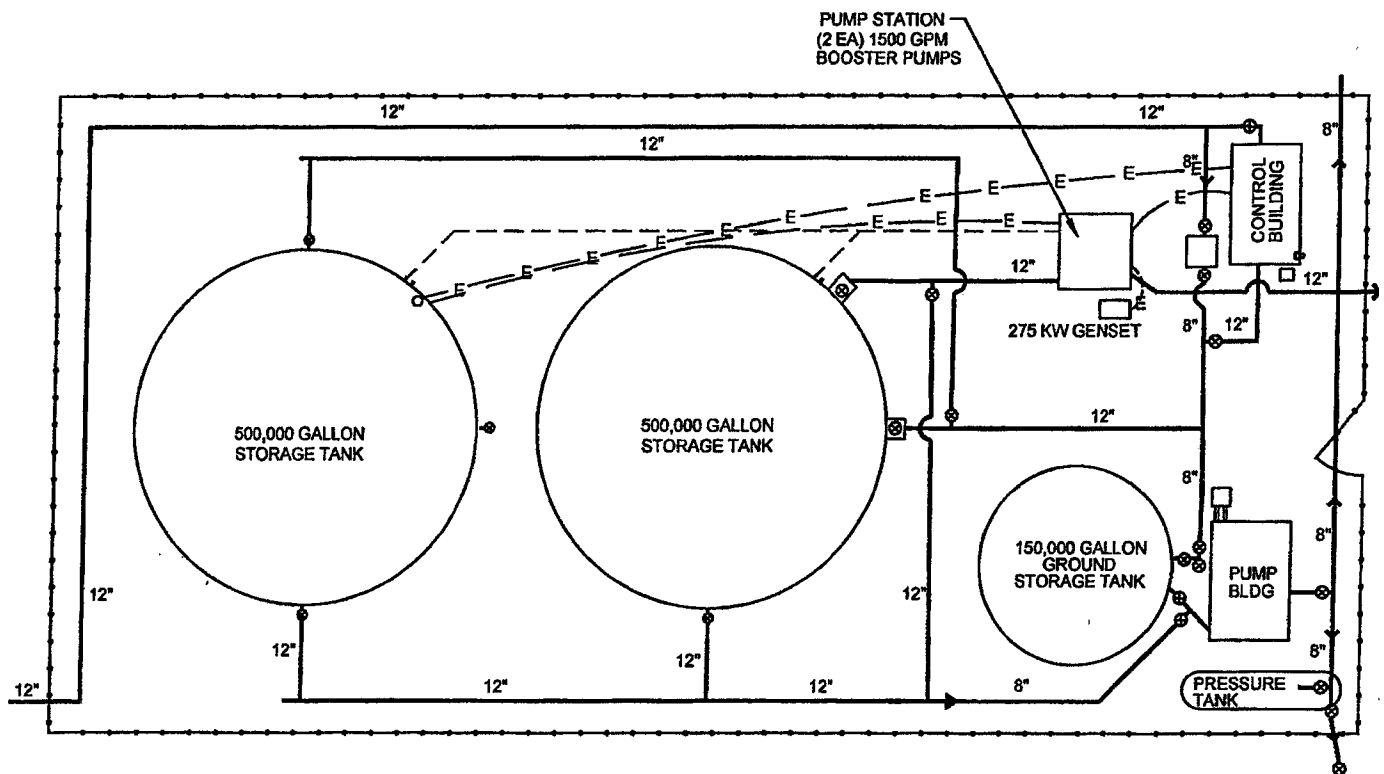
Jim Mathews  
Mathews and Freeland

327 Congress Avenue, Suite 300  
Austin, Texas 78701  
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Facsimile: (512) 703-2785  
Representing City of Heath

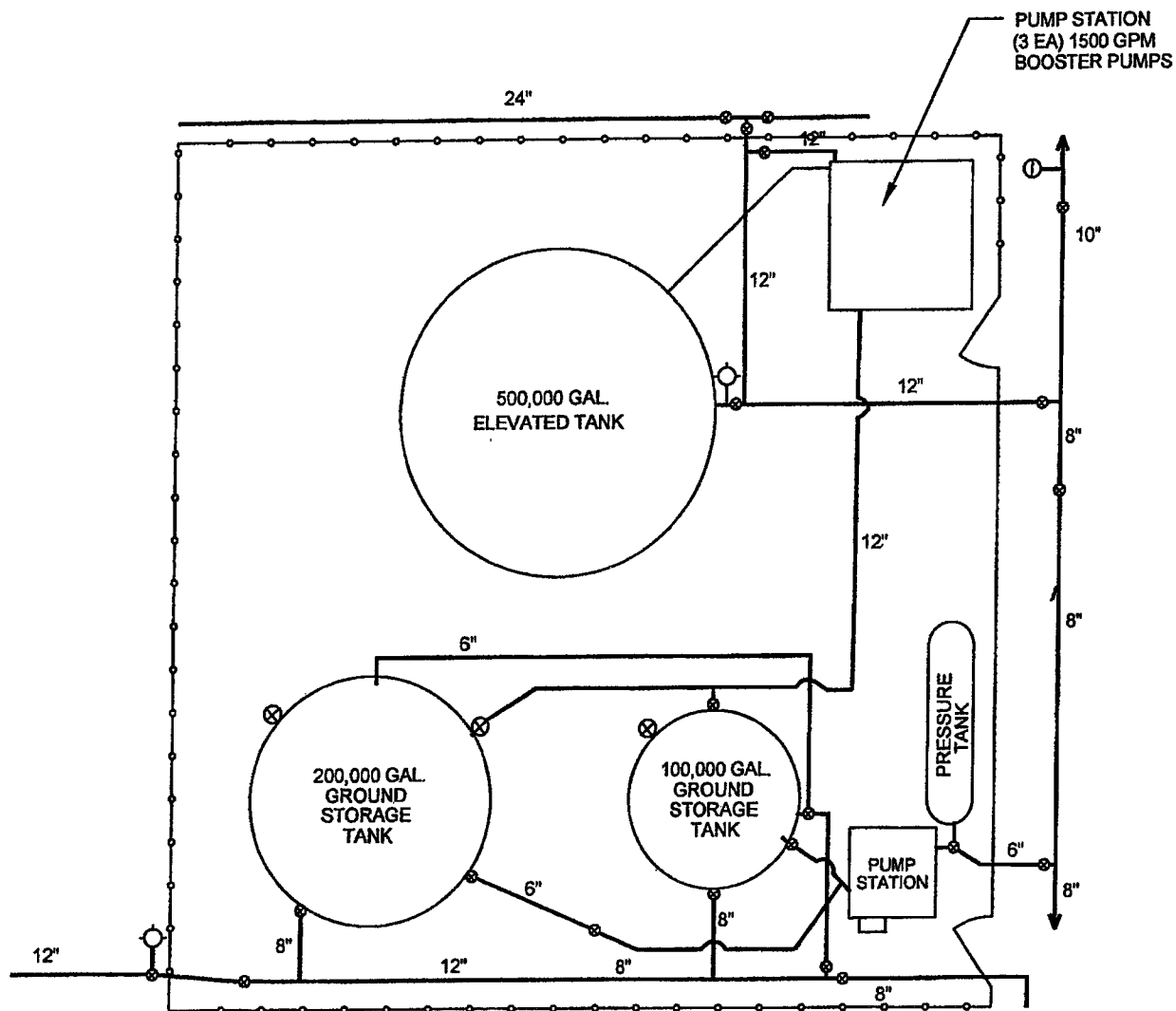
## **Exhibit Heath RFI 1-2**



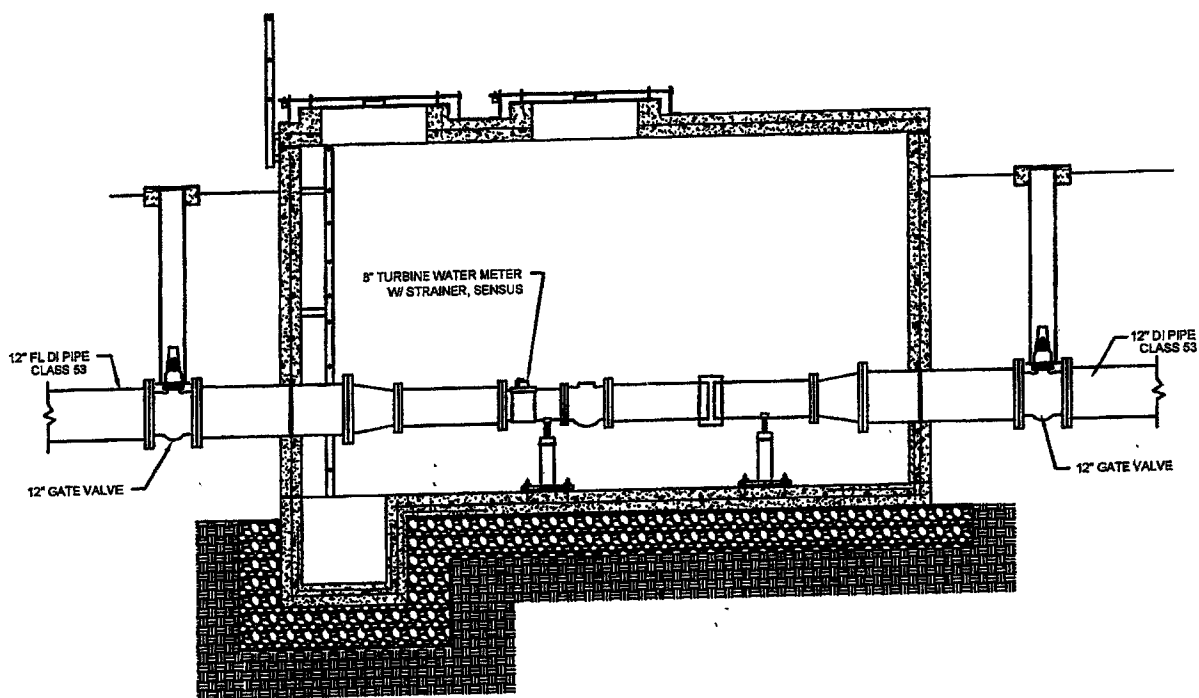
## **Exhibit Heath RFI 1-3**



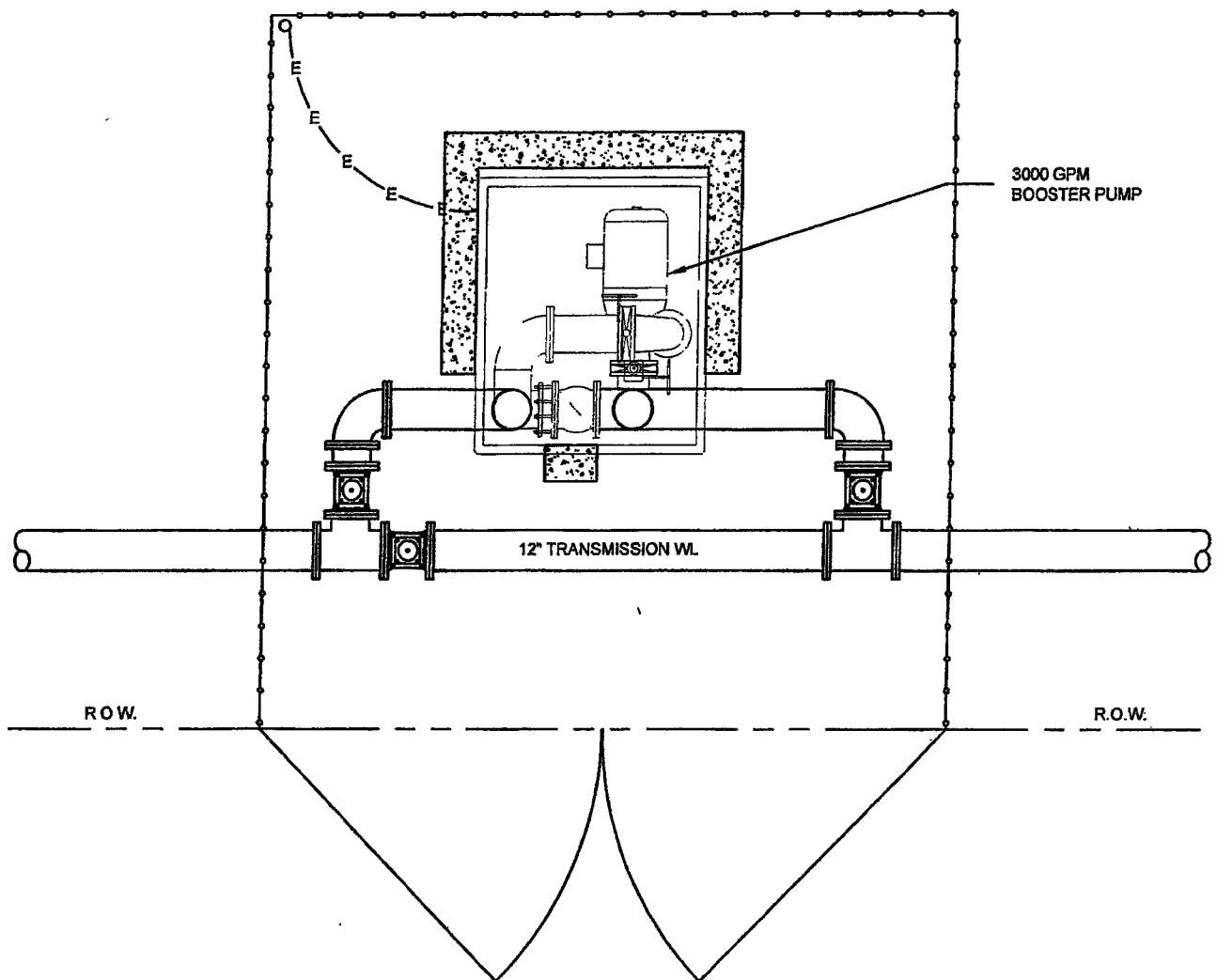
**FM 460 PUMP STATION SITE**  
**FORNEY LAKE WATER SUPPLY CORPORATION**  
**KAUFMAN & ROCKWALL COUNTIES, TEXAS**



**FM 740 PUMP STATION & ELEVATED TANK SITE**  
**FORNEY LAKE WATER SUPPLY CORPORATION**  
**KAUFMAN & ROCKWALL COUNTIES, TEXAS**



**FLWSC/NTMWD METER VAULT SITE**  
**FORNEY LAKE WATER SUPPLY CORPORATION**  
**KAUFMAN & ROCKWALL COUNTIES, TEXAS**



**FM 740 BOOSTER PUMP SITE**  
FORNEY LAKE WATER SUPPLY CORPORATION  
KAUFMAN & ROCKWALL COUNTIES, TEXAS



## **Attachment 2**

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15:50:05 1 was not providing enough water without a booster pump,  
15:50:11 2 correct?

15:50:11 3 A. I don't know.

15:50:11 4 Q. Okay. Do you have any knowledge concerning  
15:50:28 5 the capacity of the Forney Lake system?

15:50:35 6 A. No.

15:50:35 7 Q. Do you have any knowledge concerning how the  
15:50:40 8 components of the Forney Lake system were sized?

15:50:42 9 A. No.

15:50:43 10 Q. Do you have any knowledge concerning when the  
15:50:48 11 various components of the Forney Lake system were  
15:50:51 12 installed?

15:50:52 13 A. No.

15:50:53 14 Q. Do you have any knowledge concerning the  
15:50:56 15 original cost of any of the Forney Lake systems?

15:50:59 16 A. No.

15:51:00 17 Q. Would anybody within Forney Lake or its other  
15:51:05 18 independent contractors have knowledge concerning those  
15:51:09 19 issues?

15:51:10 20 A. Yes.

15:51:10 21 Q. Who?

15:51:10 22 A. The auditor and engineer.

15:51:21 23 Q. Would they have studies with regard to --  
15:51:21 24 would the engineer have studies with regards to the  
15:51:29 25 capacity of the system?

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15:51:29 1 A. I don't know.

15:51:30 2 Q. Do you think the system was built without any  
15:51:39 3 engineering studies?

15:51:40 4 A. I don't know.

15:51:41 5 Q. Have you made an inquiry?

15:51:45 6 A. No, I have not.

15:51:46 7 Q. So you've never asked the engineer whether he  
15:51:50 8 has any kind of studies of the system?

15:51:53 9 A. No, I have not.

15:51:54 10 Q. Okay. Even when you got the Open Records Act  
15:51:59 11 request asking for that?

15:52:01 12 A. No.

15:52:01 13 Q. Okay. Have you asked the auditor whether he  
15:52:11 14 has any information about original cost to install  
15:52:16 15 components of the system?

15:52:18 16 A. No.

15:52:18 17 Q. Have you ever asked the auditor if he has  
15:52:21 18 information concerning the depreciation applied to the  
15:52:21 19 components of the system?

15:52:26 20 A. No.

15:52:27 21 Q. Do you have any reason to believe that he  
15:52:29 22 would not have that information?

15:52:31 23 A. No.

15:52:31 24 Q. Even when Open Records Act request asks for  
15:52:37 25 all information, you didn't make an inquiry of him for

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15:55:15 1 MR. RODRIGUEZ: Yes. I have that as 16.

15:55:20 2 Not the supplement, right?

15:55:22 3 MR. MATHEWS: No, not the supplement.

15:55:25 4 MR. RODRIGUEZ: 16.

15:56:01 5 Q. (By Mr. Mathews) So let's take a look at  
15:56:04 6 Heath 1-1. It has to do with an inspection of any  
15:56:11 7 property that may be rendered useless and valueless if  
15:56:11 8 single certifications as requested, and you answered the  
15:56:18 9 question by saying that counsel for Forney Lake will  
15:56:22 10 work with Heath to coordinate a mutually agreeable time  
15:56:22 11 for inspection.

15:56:27 12 Will you be involved in that inspection?

15:56:27 13 A. No.

15:56:28 14 Q. Who will be?

15:56:29 15 A. Alan Smirl.

15:56:30 16 Q. Okay. The next answer is on the second page  
15:56:30 17 Response J by Robin Bailey. Heath's application does not  
15:56:30 18 appear to indicate any assets or facilities to be  
15:56:30 19 transferred to Heath.

15:56:53 20 Is that your testimony?

15:56:56 21 A. Yes.

15:57:03 22 Q. Okay. On the next page, Item 1-4, please  
15:57:12 23 provide all master plan or other planning or engineering  
15:57:12 24 reports describing Forney Lake's water supply system  
15:57:20 25 used to supply retail water service within the corporate

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15:57:20 1 limits of Heath.

15:57:21 2 And your answer is none; is that correct?

15:57:24 3 A. Yes.

15:57:24 4 Q. But you didn't make an inquiry of the engineer  
15:57:28 5 in answering this question?

15:57:30 6 A. No.

15:57:39 7 Q. So you don't know whether such studies exist  
15:57:43 8 or not?

15:57:44 9 A. No.

15:58:41 10 Q. I see you answered Heath 1-7, and it asks if  
15:58:48 11 Forney Lake contends that Heath's requests authority to  
15:58:48 12 provide service to customers or areas currently  
15:58:55 13 receiving service from Forney Lake, please provide  
15:58:56 14 certain information.

15:58:57 15 And your answer is Forney Lake has not made  
15:59:00 16 such contention, correct?

15:59:02 17 A. Yes.

15:59:14 18 Q. Okay. Are you aware of the growth that occurs  
15:59:45 19 on the Forney Lake system?

15:59:50 20 MR. RODRIGUEZ: Objection, form.

15:59:55 21 Q. (By Mr. Mathews) Let me ask it this way. At  
15:59:58 22 Board meetings, are there discussions about the addition  
16:00:02 23 of new customers to the system?

16:00:04 24 A. Yes.

16:00:05 25 Q. Could you tell me the approximate growth rate

## **Exhibit 5**

**DOCKET NO. 44541**

**APPLICATION OF CITY OF HEATH §  
TO AMEND A CERTIFICATE OF §  
CONVENIENCE AND NECESSITY §  
AND TO DECERTIFY A PORTION OF §  
FORNEY LAKE WATER SUPPLY §  
CORPORATION'S SERVICE AREA IN §  
ROCKWALL COUNTY §**

**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

**2015 SEP 11 PM 2:04**  
**PUBLIC UTILITY COMMISSION**  
**FILING CLERK**

**ORDER NO. 5**

**RULING ON CITY OF HEATH'S MOTION TO COMPEL  
RESPONSES TO CITY OF HEATH'S FIRST REQUEST FOR INFORMATION**

On March 16, 2015, City of Heath (Heath) filed with the Public Utility Commission of Texas (Commission) an application to amend its water certificate of convenience (CCN) No. 12060 and to decertify a portion of Forney Lake Water Supply Corporation's (Forney Lake) service area under CCN No. 10086, in Rockwall County. On April 10, 2015, Heath propounded its first set of Requests for Information (RFIs) on Forney Lake. On April 20, 2015, Forney Lake filed objections to Heath's RFI's 1-2(j), 1-6 and 108. All of these objections were resolved by agreement of the parties. On May 8, 2015, Forney Lake filed responses to Heath's first set of RFIs. On July 20, 2015, Heath filed a motion to compel Forney Lake to respond to its RFIs. Heath stated some questions have not been answered at all and others are non-responsive.

On July 27, 2015, Forney Lake filed a response to Heath's motion to compel, attempting to explain its delay in responding to Heath's RFIs. Forney Lake stated that for responses unanswered it would file answers within 15 business days. Forney Lake has not filed any additional responsive information.

Heath's motion to compel is granted, in part. Several months have passed since Heath's RFI's were served on Forney Lake and all objections were settled. Therefore, full and complete responses by Forney Lake are required. On or before **September 18, 2015**, Forney Lake shall respond to all unanswered RFIs and complete or clarify all unresponsive answers. Specifically, in response to RFIs 1-2(b)(c) and (e), Forney Lake shall provide a map of sufficient scale and detail that it can be used to identify facilities and properties that Forney Lake contends would be rendered useless or valueless. Forney Lake shall respond completely to RFI's 1-2(f)-(i) and provide a response sponsored by a witness with personal knowledge to RFI 1-4. Forney Lake has conditionally admitted RFI 1-8, therefore a response to RFI 1-9 is not necessary.

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SIGNED AT AUSTIN, TEXAS on the 11<sup>th</sup> day of September 2015.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in cursive script, reading "Susan E. Goodson", written over a horizontal line.

SUSAN E. GOODSON

ADMINISTRATIVE LAW JUDGE



## **Exhibit 6**

**PUC DOCKET NO. 44541**

**APPLICATION OF CITY OF HEATH  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY AND  
TO DECERTIFY A PORTION OF  
FORNEY LAKE WATER SUPPLY  
CORPORATION'S SERVICE AREA IN  
ROCKWALL COUNTY**

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**PUBLIC UTILITY COMMISSION**

**OF**

**TEXAS**

2015 SEP 18 AM 11:07  
PUC CLERK

**FORNEY LAKE WATER SUPPLY CORPORATION'S SECOND SUPPLEMENTAL  
RESPONSE TO CITY OF HEATH'S FIRST REQUEST FOR INFORMATION**

Comes now Forney Lake Water Supply Corporation ("FLWSC") and files its Second Supplemental Response to the City of Heath's First Request for Information. All parties may treat the answers as if they were filed under oath.

FLWSC files these responses without agreeing to the relevancy of the information sought and without waiving its right to object at the time of hearing to the admissibility of the information provided herein.

**FLWSC'S RESPONSES:**

HEATH 1-2. If any of Forney Lake's property may be rendered useless and valueless if single certification as requested by Heath in its application is granted, please identify each separate component of such property and provide the following information:

- a. The type or nature of the property (e.g. water lines, water storage facilities, pumps, valves, meters, vaults, easements, etc.).
- b. The location or address of the property, and for water lines or easements the beginning and end point of the property that may be rendered useless or valueless.
- c. A map depicting the location of the property in Forney Lake's system.
- d. The size and capacity of the property.
- e. The use of the property before single certification and the use of the property, if any, after single certification.

42

- f. The year in which the property was placed in service.
- g. Forney Lake's original cost to acquire and install the property.
- h. Financing used to acquire the property
- i. Forney Lake's current book value for the property.
- j. **(Revised as Agreed)** Please admit that Heath's application does not indicate any assets or facilities to be transferred to Heath.

RESPONSE:

- a. Portions of distribution waterlines, booster pumps, elevated storage tanks, ground storage tanks, transmission waterlines, electrical/SCADA, valves, fittings, appurtenances, and easements and emergency genset would be rendered useless if the requested application is granted to Heath.
- b. The location of the items noted in (a.) above are indicated on the map attached as Exhibit Heath RFI 1-2.
- c. See map attached as Exhibit Heath RFI 1-2.
- d. The size of the facilities are as indicated below:
  - 1.5", 2", 2.5", 4", 6", 8" 10" and 12" waterlines;
  - 100,000, 150,000, 200,000, and 2 ea. - 500,000 ground storage tanks;
  - 500,000 gallon elevated tank;
  - 3,000 GPM booster pump station;
  - 2 ea. - 1,500 GPM booster pumps and building;
  - 3 ea. - 1,500 GPM booster pumps and building;
  - 230 KW genset; and
  - 275 KW genset.
- e. The property is currently being utilized to provide current and future potable water service to the customers of FLWSC within the CCN. A portion of the facilities will be stranded if the area is transferred to Heath.

f. The waterlines have been placed into service from the late 1960s until the most recent ones in 2015. The original ground storage tank was constructed with the original pump station, likely in the late 1960s. The other ground storage tank was constructed on subsequent dates with the latest 500,000 gallon ground storage tank being constructed in 2006. The in service date of the 500,000 gallon elevated tank is being investigated. The 3000 GPM booster pump station was constructed 2012. The FM 460 booster pump building was constructed in 2005. The FM 740 booster pump station was constructed in 2004. The gensets were installed in 2004 and 2005 respectively.

g. The construction cost of the 500,000 gallon ground storage tank constructed in 2006 was \$585,000. The construction cost of the 3000 gallon GPM booster pump station constructed in 2012 was \$100,000. The construction cost of the FM 460 pump building constructed in 2005 was \$198,600. The construction cost of the FM 740 pump building constructed in 2004 was \$196,700. The above costs do not include engineering, legal, administration and inspection costs. The construction cost of other facilities is still being investigated. Because of the age of the facilities, original construction costs cannot be readily obtained.

h. Much of the property was acquired by construction accounts and/or debt financing.

i. Book value has not been determined as of this filing. However, it is being investigated.

j. Heath's application does not appear to indicate any assets or facilities to be transferred to Heath

Responses a-h. Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

Response j. Prepared by Robin Baley; sponsoring witness Robin Baley.

HEATH 1-3 Please produce all documents concerning or relating to Forney Lake's belief that its property may be rendered useless and valueless if single certification as requested by Heath in its application is granted.

See Exhibit Heath RFI 1-2 indicating the FLWSC system facilities. If single certification is granted for the areas shown on the attached Exhibit Heath RFI 1-3, a majority of the remaining undeveloped area located north of the county line will be developed and served by Heath. FLWSC will have capacity that will be stranded as the facilities have been constructed and dedicated in part to provide water to the undeveloped northern area.

Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

HEATH 1-4. Please provide all master plans, or other planning or engineering reports describing Forney Lake's water supply system used to supply retail water service within the corporate limits of Heath.

See attached Exhibit Heath RFI 1-4.

Prepared by Eddy Daniel; sponsoring witness Eddy Daniel.

HEATH 1-5 Please identify any customers to whom Forney Lake currently provides retail water service within the tracts identified in "Attachment 12.A" of Heath's application for single certification.

FLWSC serves customers at the following addresses:

260 Terry Lane, 809 Hubbard, 405 Hubbard, 520 Meadowview, 206 Crips, 524 Hubbard, 300 Terry Lane, and 255 Meyers

Prepared by Robin Baley; sponsoring witness Robin Baley.

HEATH 1-6 WITHDRAWN BY AGREEMENT

HEATH 1-7. If Forney Lake contends that Heath's application for single certification requests authority to provide service to customers or areas currently receiving retail water service from Forney Lake, please provide the following information related that contention:

- a. Identify the language from Heath's application that supports this contention.
- b. Identify the customers or areas currently receiving retail water service from Forney Lake that you contend Heath's application will affect.
- c. Please produce all documents concerning or relating to that contention.

FLWSC has not made such a contention at this time.

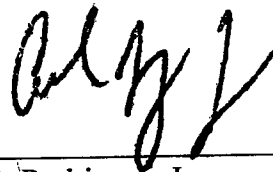
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HEATH 1-8. **(Revised as Agreed)** Please admit that all of Forney Lake's water utility facilities currently used to provide retail water service to its customers before the grant of single certification as requested by Heath will continue to be used for that purpose provided the single certification requested is granted.

All of FLWSC's water utility facilities currently used to provide retail service to its customers before the grant of single certification as requested by Heath will continue to be used for that purpose provided the single certification is granted as requested. If single certification is granted as requested then there will be stranded capacity from facilities that have been constructed to provide water service in the future to the unserved areas.

Prepared by Eddy Daniel; sponsoring witness Eddy Daniel

Respectfully submitted,



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ATTORNEY FOR FORNEY LAKE WATER  
SUPPLY CORPORATION

**CERTIFICATE OF SERVICE**

I hereby certify that on the 18<sup>th</sup> day of September, 2015, a true and correct copy of the foregoing document was served on all parties in accordance with PUC Procedural Rule 22.74.



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Arturo D. Rodriguez, Jr.

A. J. Smullen  
Attorney – Legal Division  
Public Utility Commission of Texas  
1701 N. Congress Avenue  
P. O. Box 13326  
Austin, Texas 78711-3326  
Telephone: (512) 936-7289  
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Representing the Public Utility Commission of Texas

Jim Mathews  
Mathews and Freeland  
P.O. Box 1568  
Austin, Texas 78768-1568  
Telephone: (512) 404-7800  
Facsimile: (512) 703-2785  
Representing City of Heath



## **Exhibit 7**

**PUC DOCKET NO. 44541**  
**SOAH DOCKET 473-16-0193.WS**

2015 SEP 23 PM 1:58

**APPLICATION OF CITY OF HEATH  
TO AMEND A CERTIFICATE OF  
CONVENIENCE AND NECESSITY  
AND TO DECERTIFY A PORTION  
OF FORNEY LAKE WATER SUPPLY  
CORPORATION'S SERVICE AREA  
IN ROCKWALL COUNTY**

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**PUBLIC UTILITY COMMISSION**  
FILING CLERK  
**OF TEXAS**

**CITY OF HEATH'S SECOND  
REQUEST FOR INFORMATION TO FORNEY LAKE WSC**

TO: Forney Lake Water Supply Corporation by and through its attorney of record, Arturo Rodriguez, Jr., Russell & Rodriguez LLP, 1633 Williams Dr., Building 2, Suite 200, Georgetown, Texas 78628.

Pursuant to P.U.C. PROC. R. 22.144, the City of Heath ("Heath") propounds its Second Request for Information (Exhibit A) to Forney Lake Water Supply Corporation ("Forney Lake").

Pursuant to Order No. 1, Responses should be provided within twenty (20) days to:

Jim Mathews  
Mathews & Freeland, LLP  
8140 N. MoPac Expy Ste. 2-260  
Austin, Texas 78759  
(512) 404-7800  
[jmathews@mandf.com](mailto:jmathews@mandf.com)

**DEFINITIONS AND INSTRUCTIONS**

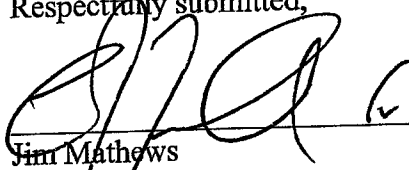
- A. Pursuant to P.U.C. PROC. R. 22.144(c)(2)(F), Heath requests that answers to the requests for information be made under oath. Each answer should identify the person responsible for preparing that answer (other than the purely clerical aspects of its preparation) and the name of the witness in this proceeding who will sponsor the answer and who can vouch for its accuracy.
- B. In producing documents pursuant to this request for information, please indicate the specific request(s) to which the document is being produced.
- C. These requests are continuing in nature, and should there be a change in circumstances which would modify or change an answer supplied by you, such changed answer should be submitted as a supplement to your original answer pursuant to P.U.C. PROC. R. 22.144(i).

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- D. Please answer each request and sub-request in the order in which they are listed and in sufficient detail to provide a complete and accurate answer to the request.
- E. Heath requests that each item of information be made available as it is completed, rather than upon compilation of all information requested.
- F. "Forney Lake" refers to Forney Lake Water Supply Corporation, its parent, subsidiaries and affiliates, past or present; its employees, officers, directors, agents, consultants, attorneys, and all persons acting under contractual arrangements with or acting or purporting to act on behalf of Forney Lake; any merged or consolidated predecessors or predecessor in interest; and any merged or consolidated successors in interest.
- G. The terms "document" or "documents" are used in their broadest sense to include, by way of illustration and not limitation, all written or graphic matter of every kind and description whether printed, stored, produced or reproduced by any process whether visually, magnetically, mechanically, electronically or by hand, whether final or draft or deleted, original or reproduction, whether or not claimed to be privileged or otherwise excludable from discovery, and whether or not in your actual or constructive possession, custody, or control. The terms include, but are not limited to, writings, correspondence, telegrams, memoranda, studies, reports, surveys, statistical compilations, diagrams, schematic and other drawings, engineering plans and drawings, maps, studies, notes, calendars, tapes, computer disks, data on computer drives, existing and deleted e-mail, electronic recordings, tape recordings, cards, records, contracts, agreements, easements, invoices, licenses, diaries, journals, accounts, ledgers, pamphlets, books, publications, microfilm, microfiche, photographs, video recordings, and any other data compilations from which information can be obtained and translated, by you if necessary, into reasonably usable form. "Document" or "documents" shall also include every copy of a document where the copy contains any commentary or notation of any kind that does not appear on the original or any other copy.
- H. Pursuant to Tex. R. Civ. P. 196.4, Heath specifically requests that any electronic or magnetic data (which is included in the definition of "document") that is responsive to a request herein be produced on CD-Rom in a format that is compatible with Microsoft and be produced with your response to these requests.
- I. The terms "and" and "or" shall be construed both disjunctively and conjunctively as necessary to make the request inclusive rather than exclusive.
- J. "Each" shall be construed to include the word "every" and "every" shall be construed to include the word "each."
- K. "Any" shall be construed to include "all" and "all" shall be construed to include "any."
- L. The term "concerning," or one of its inflections, includes the following meanings: relating to; referring to; pertaining to; regarding; discussing; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically or factually

- connected with the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.
- M. The term "including," or one of its inflections, means and refers to "including but not limited to."
- N. "Relating to," "regarding," "concerning" and similar terms mean addressing, analyzing, referring, discussing, mentioning in any way, explaining, supporting, describing, forming the basis for, or being logically or causally connected in any way with the subject of these discovery requests.
- O. "Explain the basis" means provide all information on or describe every fact, statistic, inference, estimate, consideration, conclusion, study, and analysis known to Forney Lake that was relied upon in support of the expressed contention, proposition, conclusion or statement.
- P. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- Q. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- R. Pursuant to P.U.C. PROC. R. 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- S. If the information requested is included in previously furnished exhibits, workpapers, responses to other discovery inquiries or otherwise, in hard copy or electronic format, please furnish specific references thereto, including Bates Stamp page citations and detailed cross-references.
- T. If a data response is available in EXCEL format, provide the EXCEL version of the data response.
- U. If any document is withheld under any claim of privilege, please furnish a privilege log identifying each document for which a privilege is claimed, together with the following information: date and title of the document; the preparer or custodian of the information; to whom the document was sent and from whom it was received; subject matter of the document; and explain the basis upon which the privilege is claimed.
- V. Words and phrases used in this request that also are used in the PUC Chapter 24 Rules shall have the same meaning as given to those words and phrases in those rules.

Respectfully submitted,

  
Jim Mathews  
State Bar No. 13188700

Mathews & Freeland, LLP  
8140 N. MoPac Expy Ste. 2-260  
Austin, Texas 78759  
Telephone (512) 404-7800  
Facsimile (512) 703-2785

ATTORNEYS FOR CITY OF HEATH

**CERTIFICATE OF SERVICE**

I certify that a copy of this request for information was served on all parties of record on September 23, 2015, by hand-delivery, facsimile, electronic mail, and/or First Class, U.S. Mail.

Arturo Rodriguez, Jr.  
Attorney for FLWSC  
Russell & Rodriguez LLP  
1633 Williams Dr., Building 2, Suite 200  
Georgetown, Texas 78632

A.J. Smullen  
Attorney, Legal Division Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326

  
Jim Mathews

**PUC DOCKET NO. 44541**

**EXHIBIT A  
HEATH'S SECOND REQUEST  
FOR INFORMATION TO FORNEY LAKE WSC**

HEATH 2-1 Please describe the specific "portions" of the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2.

- a. 1.5" waterline \_\_\_\_\_
- b. 2" waterline \_\_\_\_\_
- c. 2.5" waterline \_\_\_\_\_
- d. 4" waterline \_\_\_\_\_
- e. 6" waterline \_\_\_\_\_
- f. 8" waterline \_\_\_\_\_
- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_
- j. 150,000 gallon ground storage tank \_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_

- r. 1,500 GPM booster pumps and building \_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_
- t. 230 KW genset \_\_\_\_
- u. 275 KW genset \_\_\_\_
- v. Electrical/SCADA \_\_\_\_
- w. Valves and fittings \_\_\_\_
- x. Appurtenances \_\_\_\_
- y. Easements/Other Real Estate \_\_\_\_

HEATH 2-2 Please explain the basis for Forney Lake's response to HEATH 2-1.

HEATH 2-3 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-1.

HEATH 2-4 Please identify the amount of available additional capacity remaining in the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2. By available additional capacity, Heath means the additional amount of capacity currently available to Forney Lake to provide water to its customers after demand is being met for the highest daily demand for water on Forney Lake's system as such highest daily demand has occurred over the last thirty-six months.

- a. 1.5" waterline \_\_\_\_
- b. 2" waterline \_\_\_\_
- c. 2.5" waterline \_\_\_\_
- d. 4" waterline \_\_\_\_
- e. 6" waterline \_\_\_\_
- f. 8" waterline \_\_\_\_

- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_\_
- j. 150,000 gallon ground storage tank \_\_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_\_
- r. 1,500 GPM booster pumps and building \_\_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_\_
- t. 230 KW genset \_\_\_\_\_
- u. 275 KW genset \_\_\_\_\_
- v. Electrical/SCADA \_\_\_\_\_
- w. Valves and fittings \_\_\_\_\_
- x. Appurtenances \_\_\_\_\_
- y. Easements/Other Real Estate \_\_\_\_\_

HEATH 2-5 Please explain the basis for Forney Lake's response to HEATH 2-4.

HEATH 2-6 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-4.



HEATH 2-7 Please identify the monetary amount that Forney Lake contends is just and adequate to be paid to Forney Lake for the portions of the in the following classes of facilities that Forney Lake contends will be rendered useless or valueless in Forney Lake's response to Heath 1-2.

- a. 1.5" waterline \_\_\_\_\_
- b. 2" waterline \_\_\_\_\_
- c. 2.5" waterline \_\_\_\_\_
- d. 4" waterline \_\_\_\_\_
- e. 6" waterline \_\_\_\_\_
- f. 8" waterline \_\_\_\_\_
- g. 10" waterline \_\_\_\_\_
- h. 12" waterline \_\_\_\_\_
- i. 100,000 gallon ground storage tank \_\_\_\_\_
- j. 150,000 gallon ground storage tank \_\_\_\_\_
- k. 200,000 gallon ground storage tank \_\_\_\_\_
- l. 500,000 gallon ground storage tank \_\_\_\_\_
- m. 500,000 gallon elevated tank \_\_\_\_\_
- n. 3,000 GPM booster pump station \_\_\_\_\_
- o. 1,500 GPM booster pumps and building \_\_\_\_\_
- p. 1,500 GPM booster pumps and building \_\_\_\_\_
- q. 1,500 GPM booster pumps and building \_\_\_\_\_
- r. 1,500 GPM booster pumps and building \_\_\_\_\_
- s. 1,500 GPM booster pumps and building \_\_\_\_\_
- t. 230 KW genset \_\_\_\_\_

- u. 275 KW genset \_\_\_\_
- v. Electrical/SCADA \_\_\_\_
- w. Valves and fittings \_\_\_\_
- x. Appurtenances \_\_\_\_
- y. Easements/Other Real Estate \_\_\_\_

HEATH 2-8 Please explain the basis for Forney Lake's response to HEATH 2-7.

HEATH 2-9 Please produce all documents concerning, reviewed, supplied to or by, or relied upon by Forney Lake to respond to HEATH 2-7

HEATH 2-10 Please identify the total number of additional residential connections in Forney Lake's certificated service area in Rockwall County that Forney Lake could provide with retail water utility service with its existing facilities.

HEATH 2-11 What has been Forney Lake's rate of customer growth for each of the last three calendar years? By rate of customer growth, Heath means the change in the number of total connections between the beginning and the end of the calendar year.

HEATH 2-12 What is Forney Lake's anticipated rate of customer growth for each of the next three calendar years?

HEATH 2-13 In response to HEATH 1-3, Forney Lake states that capacity in its facilities will be "stranded" if single certification is granted.

- a. What does Forney Lake mean by the term "stranded" as used in its response?
- b. Does Forney Lake contend that the term "stranded" is synonymous with "useless or valueless"?

HEATH 2-14 Is Forney Lake obligated by contract or otherwise to provide fire flows to the Travis Ranch subdivision located in Kaufman County?

- HEATH 2-15 Please provide all contracts and other agreements relating to Forney Lake's obligations to provide retail water utility service to the Travis Ranch subdivision located in Kaufman County.
- HEATH 2-16 Please provide Forney Lake's two most recent audited, year-end Financial Statements. If an audit has not been prepared for the requested Financial Statements, please provide the most recent unaudited, year-end Financial Statement.
- HEATH 2-17 Please provide all worksheets, accounting ledgers, and other supporting documentation for the Fixed Assets entry in Forney Lake's Balance Sheet included in the most recent Financial Statement, including documentation for both "Plant, property and equipment" and for "Accumulated depreciation." If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-18 Please admit that under Forney Lake's accounting policies that plant, property and equipment are carried at cost, and that depreciation is computed using the straight-line method over estimated useful lives ranging from 3 to 50 years. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-19 Please admit that Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2) shows Forney Lake's total fixed assets as of December 31, 2010 to be \$2,634,637. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-20 Please admit that Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2) shows Forney Lake's "Paid in Capital" to be \$2,327,787. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.
- HEATH 2-21 Please provide all worksheets, accounting ledgers, and other supporting documentation for the "Paid in Capital" entry in Forney Lake's Balance Sheet included in the most recent Financial Statement. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-22 Please explain what values are included in "Paid in Capital" as shown on Forney Lake's Comparative Balance Sheet dated December 31, 2010 (Exhibit 2). If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-23 Please admit that under Forney Lake's accounting policies that assets contributed to Forney Lake by developers, such as distribution lines, are recorded as "Paid in Capital" on Forney Lake's books. If the requested information is in the possession of Forney Lake's auditor or other consultant, Forney Lake should instruct that person to provide the information.

HEATH 2-24 Please provide copies of Forney Lake's IRS Form 990 filed for tax years 2012 through 2014.