



Control Number: 45702



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RECEIVED

APPLICATION OF THE CITY OF §  
CIBOLO FOR SINGLE CERTIFICATION §  
IN INCORPORATED AREA AND TO §  
DECERTIFY PORTIONS OF GREEN §  
VALLEY SPECIAL UTILITY §  
DISTRICT'S SEWER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY IN §  
GUADALUPE COUNTY §

BEFORE THE PUBLIC UTILITY COMMISSION

2016 DEC 6 PM 2:58  
PUBLIC UTILITY COMMISSION  
FILING CLERK

COMMISSION OF TEXAS

**GREEN VALLEY SUD'S FIRST SUPPLEMENTAL RESPONSE TO CIBOLO'S  
FOURTH REQUEST FOR INFORMATION**

To: City of Cibolo, Texas, by and through its attorneys of record, David Klein and Christie Dickenson, Lloyd Gosselink, 816 Congress Ave., Suite 1900, Austin, Texas 78701.

Green Valley Special Utility District ("Green Valley SUD"), having conferred with the City of Cibolo ("Cibolo"), and in a good faith effort to resolve Cibolo's pending December 2, 2016 Motion to Compel pursuant to the Administrative Law Judges' December 6, 2016 Order No. 6, herein provides its First Supplemental Response to City of Cibolo's Fourth Request for Information to Green Valley SUD. Green Valley SUD stipulates that the following responses to requests for information may be treated by all parties as if the answer was filed under oath.

Respectfully submitted,

By: 

Paul M. Terrill III  
State Bar No. 00785094  
Geoffrey P. Kirshbaum  
State Bar No. 24029665  
Shan S. Rutherford  
State Bar No. 24002880  
TERRILL & WALDROP  
810 W. 10<sup>th</sup> Street  
Austin, Texas 78701  
(512) 474-9100  
(512) 474-9888 (fax)

ATTORNEYS FOR GREEN VALLEY SPECIAL UTILITY  
DISTRICT

101

## **CERTIFICATE OF SERVICE**

I hereby CERTIFY that on December 8, 2016, a true and complete copy of the above was sent by the method indicated to counsel of record at the following addresses in accordance with P.U.C. PROC. R. 22.74:

David Klein  
Christie Dickenson  
Lloyd Gosselink  
816 Congress Ave., Suite 1900  
Austin, Texas 78701

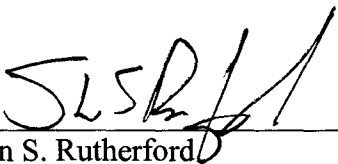
*via fax to: (512) 472-0532*

### **ATTORNEY FOR APPLICANT**

Landon Lill  
Public Utility Commission of Texas  
1701 N Congress PO Box 13326  
Austin, Texas 78711-3326

*via fax to: (512) 936-7268*

### **ATTORNEY FOR COMMISSION STAFF**

  
Shan S. Rutherford

## **RESPONSE TO REQUEST FOR INFORMATION**

### **Cibolo RFI 4-1**

Please identify the specific portion(s) of GVSUD's 2006 Wastewater Master Plan that you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment A to the City's Application, which is attached hereto as Attachment 1.

### **RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

### **SUPPLEMENTAL**

### **RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

The dollars expended by GVSUD to develop and implement the 2006 Wastewater Master Plan are property and GVSUD's appraisal presents the dollars spent on those efforts that are allocable to the real property proposed for decertification. Those dollars will be rendered useless and valueless.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

### **Cibolo RFI 4-2**

Please explain your response to Cibolo RFI 4-1.

### **RESPONSE:**

See GVSUD's response to Cibolo RFI 4-1 and GVSUD's appraisal.

### **SUPPLEMENTAL**

### **RESPONSE:**

See GVSUD's response to Cibolo RFI 4-1 and GVSUD's appraisal. The 2006 Wastewater Master Plan was developed for GVSUD's entire wastewater CCN area and the Plan will not be able to be implemented as to the requested decertification area.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

### **Cibolo RFI 4-3**

Please identify the specific portions of GVSUD's TPDES Permit Application currently pending at the TCEQ that you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL  
RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

The dollars expended by GVSUD toward obtaining the TPDES Permit Application are property and GVSUD's appraisal presents the portion of dollars spent that are allocable to the real property proposed for decertification. Those dollars will be rendered useless and valueless.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-4** Please explain the basis for your answer to Cibolo RFI 4-3.

**RESPONSE:** See GVSUD's response to Cibolo RFI 4-3 and GVSUD's appraisal.

**SUPPLEMENTAL  
RESPONSE:**

See GVSUD's response to Cibolo RFI 4-3 and GVSUD's appraisal. The TPDES Permit sought by GVSUD is sought to provide wastewater service to the GVSUD CCN area that includes the requested decertification area and the dollars expended in obtaining GVSUD's TPDES Permit will be rendered useless and valueless as to the decertification area.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-7** Please identify the specific portion(s) of GVSUD's IH-10 Industrial Park Water Service Feasibility Study that you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL  
RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

GVSUD's appraisal does not include any dollars associated with GVSUD's IH-10 Industrial Park Water Service Feasibility Study (which studied both water and wastewater service). The Feasibility Study was provided to Mr. Korman to demonstrate that GVSUD's investments and steps taken to implement a wastewater system in its CCN area were made to meet the need for sewer service in GVSUD's CCN area. GVSUD witness Josh Korman used the Feasibility Study as a data point when performing GVSUD's appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-8** Please explain the basis for your answer to Cibolo RFI 4-7 and GVSUD's appraisal.

**RESPONSE:** See GVSUD's response to Cibolo RFI 4-7 and GVSUD's appraisal.

**SUPPLEMENTAL  
RESPONSE:**

See GVSUD's response to Cibolo RFI 4-7, Cibolo RFI 4-15 and GVSUD's appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-9** Please identify the specific portion(s) of the Woods of St. Claire Subdivision Water Service Feasibility Study that you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL  
RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal.

Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

GVSUD's appraisal does not include any dollars associated with GVSUD's Woods of St. Claire Subdivision Water Service Feasibility Study (which studied both water and wastewater service). The Feasibility Study was provided to Mr. Korman to demonstrate that GVSUD's investments and steps taken to implement a wastewater system in its CCN area were made to meet the need for sewer service in GVSUD's CCN area. GVSUD witness Josh Korman used the Feasibility Study as a data point when performing GVSUD's appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-10** Please explain the basis for your answer to Cibolo RFI 4-9 and GVSUD's appraisal.

**RESPONSE:** See GVSUD's response to Cibolo RFI 4-9 and GVSUD's appraisal.

**SUPPLEMENTAL**

**RESPONSE:** See GVSUD's response to Cibolo RFI 4-9, Cibolo RFI 4-15 and GVSUD's appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-11** Please identify any other specific items you contend are property interests related to GVSUD's wastewater system planning and design activities that would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL**

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

All dollars spent on permitting, legal and professional/consulting fees both here and in GVSUD's TCEQ TPDES permit application proceeding, and dollars spent investing in development and implementation of the 2006

Wastewater Master Plan (which are all ongoing) are property interests that will be rendered useless or valueless on an allocated basis by the sought decertification. GVSUD's appraisal isolates the dollars and estimated dollars expended in this proceeding as to legal and appraisal fees in the appraisal's discussion of compensation factor number seven (7) as of June 28, 2016.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-12** For any item identified in Cibolo RFI 4-11, please identify the specific portions of that item that you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL**

**RESPONSE:** See GVSUD's response to Cibolo RFI 4-11 and GVSUD's appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-13** Please identify the specific "lost revenues" you contend would be rendered useless or valueless by decertification of the service area colored in light blue in Attachment 1 to these Requests.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL**

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing. As identified in the appraisal, the net lost revenues allocable to the proposed decertified area are \$347,231 as of the June 28, 2016 date of the appraisal.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-14** Please identify all specific items you would characterize as “investments” in a future GVSUD wastewater system.

**RESPONSE:** GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

**SUPPLEMENTAL  
RESPONSE:**

GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by the decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.

The allocable “investments” as of the June 28, 2016 date of the appraisal consist of all dollars identified in the appraisal with the exception of the dollar amount identified as net lost revenues in GVSUD’s response to Cibolo RFI 4-13.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-16** In your response to Cibolo 2-28, you identify GVSUD’s Water Revenue Bonds, Series 2014 as relating to the design and construction of sewer infrastructure. Please provide an explanation for that answer in light of GVSUD’s response to Cibolo RFI 2-13.

**RESPONSE:** GVSUD did not identify “Water Revenue Bonds, Series 2014” in its response to Cibolo 2-28.

**SUPPLEMENTAL  
RESPONSE:**

Based on representation by Cibolo’s counsel that this request intended to reference GVSUD’s 2003 Series bond issuance, the referenced bonds relate to the design and construction of sewer infrastructure because revenue from wastewater service could be used to repay the debt. See GVSUD’s response to Cibolo RFI 4-17.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-26** Refer to page 10, line 20 through page 11, line 7 in the direct testimony of David “Pat” Allen (“Mr. Allen Direct”). Please provide documentation identifying:

(a) growth in GVSUD’s wastewater customer base;

- (b) growth in wastewater usage within GVSUD's service area;
- (c) that portion of the 11,000 customer connections attributable to wastewater service;
- (d) that portion of the 33,000 individuals who are wastewater customers; and
- (e) the nature of GVSUD's wastewater customers (i.e. residential, light commercial, industrial, or other).

**RESPONSE:** Cibolo has misconstrued GVSUD's testimony. After a diligent search, GVSUD has not identified any documents responsive to this request. See GVSUD's response to Cibolo RFA 1-1 and 1-3.

**SUPPLEMENTAL**

**RESPONSE:** (a)-(e) Mr. Allen's testimony does not state that GVSUD has current wastewater customers. To clarify, GVSUD reiterates, as stated in its responses to Cibolo RFA 1-1 and 1-3, that GVSUD has no current retail wastewater customers or consumers. As such, GVSUD has not identified any documents responsive to this request.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-27** Refer to page 11, line 25 through page 12, line in Mr. Allen's Direct. Please provide documentation identifying:

- (a) the referenced wastewater customer/constituents;
- (b) specific "investments" that will be rendered useless or valueless by decertification;
- (c) the referenced "remaining customers"; and
- (d) the increased costs for "remaining customers".

**RESPONSE:** The question does not provide a proper page and line reference. Subject thereto:

- (a) Cibolo has misconstrued GVSUD's testimony. After a diligent search, GVSUD has not identified any documents responsive to this request. See GVSUD's response to Cibolo RFA 1-1 and 1-3.
- (b) GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing.
- (c) The reference was to all current water customers and all future wastewater customers. See GVSUD-1 at 100014-100018. See also the attached GVSUD Operations Report.

- (d) The reference was to all current water customers and all future wastewater customers. See GVSUD-1 at 100014-100018. See also the attached GVSUD Operations Report.

**SUPPLEMENTAL  
RESPONSE:**

Based on clarification of Cibolo's counsel regarding Cibolo's intended page and line reference, GVSUD supplements its response as follows:

- (a) Mr. Allen's testimony does not state that GVSUD has current wastewater customers. To clarify, GVSUD reiterates, as stated in its responses to Cibolo RFA 1-1 and 1-3, that GVSUD has no current retail wastewater customers or consumers. As such, GVSUD has not identified any documents responsive to this request.
- (b) GVSUD contends that its appraisal filed at the PUC on June 28, 2016 includes all real and personal property of GVSUD that would be rendered useless or valueless by decertification as of the date of the Appraisal. Values identified in the appraisal will need to be updated as part of the second phase of this hearing. In addition, see GVSUD's supplemental response to Cibolo RFI 4-14.
- (c) The reference was to all current water customers and all future wastewater customers. See GVSUD-1 at 100014-100018. See also the attached GVSUD Operations Report.
- (d) The reference was to all current water customers and all future wastewater customers. See GVSUD-1 at 100014-100018. See also the attached GVSUD Operations Report.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-28** Refer to page 23, lines 10-11 in Mr. Allen's Direct. Please provide documentation identifying the referenced "current and future customers" to be provided with wastewater service.

**RESPONSE:** Cibolo has misconstrued GVSUD's testimony. After a diligent search, GVSUD has not identified any documents responsive to this request. See GVSUD's response to Cibolo RFA 1-1 and 1-3.

**SUPPLEMENTAL  
RESPONSE:**

Mr. Allen's testimony does not state that GVSUD has current wastewater customers. To clarify, GVSUD reiterates, as stated in its responses to Cibolo RFA 1-1 and 1-3, that GVSUD has no current retail wastewater customers or consumers. As such, GVSUD has not identified any documents responsive to this request.

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District

**Cibolo RFI 4-29**

Refer to page 12, line 17 through page 13, line 1 in Mr. Allen's Direct. Please provide documentation identifying:

- (a) GVSUD's "rapidly-growing base" of water customers;
- (b) GVSUD's "rapidly-growing" base of wastewater customers; and
- (c) the referenced "current and future customers".

**RESPONSE:**

- (a) See GVSUD 100142 - 100147 See also the attached GVSUD Operations Report.
- (b) Cibolo has misconstrued GVSUD's testimony. After a diligent search, GVSUD has not identified any documents responsive to this request. See GVSUD's response to Cibolo RFA 1-1 and 1-3.
- (c) See GVSUD's response to subparts (a) and (b).

**SUPPLEMENTAL RESPONSE:**

- (a) See GVSUD 100142 - 100147 See also the attached GVSUD Operations Report.
- (b) Mr. Allen's testimony does not state that GVSUD has current wastewater customers. To clarify, GVSUD reiterates, as stated in its responses to Cibolo RFA 1-1 and 1-3, that GVSUD has no current retail wastewater customers or consumers. As such, GVSUD has not identified any documents responsive to this request.
- (c) See GVSUD's response to subparts (a) and (b).

Prepared and Sponsored by: Pat Allen, General Manager - Green Valley Special Utility District