



Control Number: 45702



Item Number: 21

Addendum StartPage: 0

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DOCKET NO. 45702

2016 MAY 19 PM 2:33

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

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PUBLIC UTILITY COMMISSION
FILED CLERK

OF TEXAS

**CITY OF CIBOLO'S RESPONSE TO GREEN VALLEY SPECIAL UTILITY
DISTRICT'S PLEA TO JURISDICTION AND MOTION TO DISMISS**

COMES NOW the City of Cibolo (the "City"), by and through its undersigned attorneys of record, and files this Response ("Response") to Green Valley Special Utility District's ("GVSUD") Plea to Jurisdiction and Motion to Dismiss pursuant to 16 Tex. Admin. Code ("TAC") § 22.181(a)(2). In support of its Response, the City respectfully shows the following:

I. INTRODUCTION

GVSUD's Plea to Jurisdiction and Motion to Dismiss (collectively, the "Motion") is without merit and should be denied. The City's application for single sewer certification (the "Application") filed at the Public Utility Commission ("Commission") under Texas Water Code ("TWC") § 13.255 has complied with all applicable procedural and substantive laws and regulations. The Application is timely filed, and it properly requests single sewer certificate of convenience necessity ("CCN") certification, decertifying portions of GVSUD's sewer CCN No. 20973 that are within the City's corporate limits. GVSUD's plea and motion is based on a flawed interpretation of TWC § 13.255 and on an application of 7 U.S.C. § 1926(b) that is not legally or factually supported in this case.

21

BACKGROUND

On August 18, 2015, the City provided GVSUD with notice under TWC §13.255 that the City intends to provide retail sewer service to certain portions of GVSUD's sewer CCN boundaries that overlap with the City's corporate limits. These are the same tracts of land that are the subject of the Application. Several additional letters were sent by the City and GVSUD to each other after August 18, 2015, regarding the City's August 18, 2015 notice of intent to provide service; and, contrary to GVSUD's assertion in its Motion, the City consistently affirmed the portions of GVSUD's sewer CCN that would be decertified under TWC § 13.255. Specifically, the purpose of the City's subsequent letters to GVSUD were to determine whether an agreement between the parties could be reached, as contemplated in TWC § 13.255(a). As of the date of this Response, an agreement has not been reached by the parties.

On March 8, 2016, more than 180 days after the City provided GVSUD with notice of its intent to provide retail wastewater service, the City filed the Application at the Commission. On April 7, 2016, Commission Staff filed its Comments on Completeness indicating that the Application was administratively incomplete and deficient, suggesting that the City provide notice of the Application to GVSUD and to conduct the appraisal process in 16 TAC § 24.120(m). On April 12, 2016, Order No. 2 was issued, affirming the Commission Staff's findings and requiring the City to cure such deficiencies by May 11, 2016.

The City cured such deficiencies to the extent possible under TWC § 13.255 and the Administrative Law Judge's ("ALJ") Orders in this matter. First, the City provided GVSUD with a copy of the Application prior to May 11, 2016. On April 12, 2016, the City provided a copy of the Application to GVSUD's attorney, Mr. Mark Zeppa. A copy of the Application was also mailed to GVSUD's physical address on this date, but it was ultimately returned as

undeliverable. See Attachment A for proof of notice filed with the Commission on April 13, 2016. Then, on April 20, 2016, the Application was resent to GVSUD at its P.O. Box by certified mail, return receipt requested. See Attachment B. The Application has been received by GVSUD, and proof of notice was timely filed at the Commission. See Attachment C. Second, the City has commenced the appraisal process under TWC § 13.255(l) and 16 TAC § 24.120(m). The ALJ's Order No. 4 confirms that this process has started and establishes deadlines for the process.

On April 22, 2016, GVSUD filed a motion to intervene and deadline request with the Commission. On April 28, 2016, the Commission granted GVSUD's motion to intervene.

II. ARGUMENT AND AUTHORITIES

In its Motion, GVSUD alleges that the Commission lacks jurisdiction for two primary reasons and thus should dismiss the City's Application: (1) the City did not notify GVSUD of the single certification proceeding in accordance with TWC § 13.255 because the map attached to the notice letter and the Application delineated tracts of land not yet annexed into the City; and (2) GVSUD's certificated sewer service area is federally protected from municipal encroachment under 7 U.S.C. § 1926(b) because of its outstanding U.S. Department of Agriculture Rural Development loan, GVSUD Water System Revenue Bonds, Series 2003. As shown below, GVSUD's arguments lack factual and legal merit, and the Motion should be denied.

A. The City provided the requisite notice in sufficient detail to GVSUD pursuant to TWC § 13.255 and 16 TAC § 24.120(b)¹ on August 18, 2015 to initiate the 180-day period in the single certification process.

¹ In its Motion to Dismiss, GVSUD refers only to the requirements in TWC § 13.255 as the basis for dismissal. However, the Commission's substantive rules for water and sewer service providers found in 16 TAC § 24.120 – which are largely duplicative of TWC § 13.255, although they do contain additional requirements – are likewise applicable in this case. Thus, the requirements of 16 TAC § 24.120 will be discussed and the City's compliance therewith will also be demonstrated.

TWC § 13.255 and 16 TAC § 24.120 allow municipalities to apply for single certification in areas that are annexed or incorporated into the City when, as in this case, “the retail public utility that is authorized to serve in the certificated area that is annexed or incorporated by the municipality is a . . . special utility district under Chapter 65, [TWC]”² To effectuate the municipality’s certification within the annexed or incorporated area and to decertify that portion of the retail public utility’s service area within the annexed or incorporated area, the municipality must, “in writing, notif[y] the retail public utility of its intent to provide service to the incorporated or annexed area. . . .”³ Neither provision further outlines the elements of the notice.⁴ If the municipality and the retail public utility cannot reach an agreement within 180 days from the date of the notice, the municipality must file an application for single certification with the Commission.⁵ Upon filing of an application, the Commission must “fix a time and place for a hearing and give notice of the hearing to the municipality and franchised utility, if any, and notice of the application and the hearing to the retail public utility.”⁶

The Commission “shall grant single certification to the municipality” and determine whether such certification would result in property of a retail public utility being rendered useless or valueless to the retail public utility.⁷ This determination and any corresponding compensation the Commission determines appropriate must be made not later than the 90th calendar day after the date the Commission deems the municipality’s application to be administratively complete.⁸

² TWC § 13.255(j)(1); corresponding Commission rule, 16 TAC § 24.120(k).

³ TWC § 13.255(b); 16 TAC § 24.120(b).

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ TWC §§ 13.255(c), (g-1); 16 TAC §§ 24.120(c), (h).

⁸ 16 TAC §§ 24.120(c), (h).

The City provided adequate notice to GVSUD of the City's intent to provide service on August 18, 2015 (the "August Notice Letter") in accordance with TWC § 13.255 and 16 TAC § 24.120 to initiate the single certification process. A copy of the August Notice Letter was submitted to the Commission with the Application and is attached hereto for convenience as Attachment D. Commission Staff agrees in its April 7, 2016 filing in this matter that the City provided adequate notice to GVSUD of its intent to serve.⁹ GVSUD does not dispute its receipt of the August Notice Letter.

Rather, GVSUD mistakenly alleges that the City, "did not notify GVSUD of this proceeding."¹⁰ GVSUD seems to assert that because the map attached to the August Notice Letter included tracts subject to annexation in the foreseeable future in addition to the tracts that are the subject of the single certification proceeding that have already been annexed or incorporated, GVSUD does not know which tracts are subject to single certification, and thus the notice is deficient.¹¹

The City respectfully asserts that it provided clear and sufficient detail to GVSUD in the August Notice Letter to indicate the City's intent to provide sewer service and to identify the tracts of land that the City intends to serve.¹² First, the August Notice Letter narrates the areas subject to single certification:

In accordance with [TWC] Code § 13.255, the City hereby provides Green Valley SUD with notice that the City intends to provide retail sewer service to the areas within its corporate limits that overlaps with Green Valley SUD's sewer CCN service area ("Transition Areas"), which are more specifically depicted in light blue on the attached map

⁹ Commission Staff's Comments on Completeness, at 2; Commission's Order No. 2.

¹⁰ GVSUD's Motion to Dismiss, at 2.

¹¹ GVSUD's Motion to Dismiss, at 2-3.

¹² Neither TWC § 13.255, 16 TAC § 24.120, nor an order interpreting the same detail the degree of specificity the notice of intent to serve must contain with respect to the tracts subject to single certification.

This specific reference to the statutory provision coupled with the description of the area it intends to serve – the overlapping areas within the City’s corporate limits – provides notice to GVSUD that the process for single certification has been initiated. Moreover, as the holder of the sewer CCN, GVSUD presumably knows the boundaries of its certificated area and how those boundaries relate to the boundaries of local governments. Second, the multi-colored, labeled map attached to the August Notice Letter depicts the specific areas that are incorporated or annexed into the City and also within the GVSUD service area by color-coding those tracts in light blue. This visual representation of the particular areas for which the City is seeking single sewer certification provides GVSUD all of the information it needs to identify the areas subject to the Application. Finally, the field notes attached to the August Notice Letter likewise generally describe the subject area in a metes and bounds description. Collectively, these documents sufficiently detail and adequately demonstrate the tracts for which the City seeks single certification.

Moreover, contrary to GVSUD’s disingenuous assertion that, “Cibolo consistently refused to do this” – to identify the specific tracts it claims to have incorporated and which are the subject of the Application - the City has gone above and beyond the requirements of TWC § 13.255 to respond to GVSUD’s communications seeking clarification of the notice of intent to serve. On September 1, 2015, GVSUD sent a letter seeking clarification of, among other things, the area that the City intended to serve. The City responded on November 3, 2015, again explaining that the areas in light blue on the map attached to the August Notice letter were the only areas for which the City was notifying GVSUD of its intent to provide service. As for the unannexed areas, the City explicitly stated, “they are not yet within the corporate limits of the City. Consequently, the City is not yet providing you with notice of its intent to provide retail

sewer service to these yellow areas under [TWC] § 13.255.” The City offered to meet with GVSUD to discuss the City’s intent to provide retail sewer service, yet GVSUD rejected such request. On January 12, 2016, the City provided GVSUD’s attorney with a detailed proposal that additionally described the areas the City seeks to certify and also provided a CD-ROM of digital data depicting those areas as requested by GVSUD in its September 1, 2015 communication. As such, GVSUD was provided with sufficient information to ascertain the areas subject to single certification and was provided with adequate opportunities to discuss the matter in detail with the City.

That the August Notice Letter and accompanying map also separately reference areas that the City anticipates annexing in the near future does not negate the fact that the City provided notice to GVSUD of its intent to serve the currently annexed or incorporated tracts. As explained in its November 3, 2015 letter to GVSUD, the City was not providing notice of its intent to provide retail sewer service to those unincorporated and unannexed tracts. Rather, knowing the City had 180 days to negotiate the provision of services for the incorporated and annexed tracts pursuant to TWC § 13.255 and 16 TAC § 24.120 and that it would be incorporating or annexing nearby tracts in the near future, the City referenced these for efficiency in negotiating the provision of services for this area with GVSUD. More precisely, the City informed GVSUD that the City would be annexing other areas that overlap with GVSUD’s service area in the near future in addition to those subject to this single certification proceeding. Thus, rather than pursuing this process under TWC § 13.255 again after the additional tracts are annexed, the City and GVSUD could presently come to an agreement for all of this area for both the annexed and unannexed tracts. Facilitating an efficient and cost effective agreement by including additional

information simply does not render the notice deficient. Such an agreement is contemplated by TWC § 13.255.

The City complied with the notice requirements in TWC § 13.255 and 16 TAC § 24.120 when it delivered the August Notice Letter to GVSUD. The information included in the notice and attached thereto specifically cites the statutory authority to seek single certification and sufficiently identifies the tracts. The inclusion of additional information to help reach an agreement, as contemplated by TWC § 13.255 and 16 TAC § 24.120, does not invalidate the notice provided therein, and notice of the Application was not an attempted cure at any alleged deficiency in the notice of intent to serve.

B. GVSUD's federal loan is not a consideration in this Commission's analysis of the Application.

GVSUD's assertion that the Application should be dismissed because 7 U.S.C. § 1926(b) precludes the City from encroaching on the area subject to the Application because it is subject to or secured by a federal lien, is outside the scope of the Commission's analysis in TWC § 13.255 and 16 TAC § 24.120, and is unsupported by fact. First, GVSUD fails to cite any authority in Chapter 13 of the TWC or in the Commission's regulations to support its assertion that the Commission cannot process the Application. Rather, TWC § 13.255(c) states that "[t]he utility commission *shall* grant single certification to the municipality."¹³

In any event, even if it the Commission decides to consider the existence of federal debt, GVSUD has not demonstrated that its debt qualifies for protection from municipal encroachment into its certificated sewer service area under 7 U.S.C. § 1926(b). Section 1926(b) provides that:

The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting

¹³ TWC § 13.255(c).

of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.¹⁴

To gain protection from encroachment under § 1926(b), the water utility must establish: (1) that the utility is an “association” within the meaning of § 1926(b); (2) that the utility has a qualifying federal loan outstanding; and (3) that the utility “provided or made [service] available” to the disputed area.¹⁵

As a threshold matter, the protection provided by § 1926(b) is inapplicable to the service area covered by GVSUD’s sewer CCN. GVSUD has not provided any evidence that it pledged its sewer CCN as collateral for its U.S. Department of Agriculture Rural Development loan.¹⁶ The City contends that GVSUD’s loan is only secured by a lien on and pledge of GVSUD’s water system revenue and water system assets, and does not include any sewer-related assets. Thus, the protection provided by § 1926(b) is inapplicable because the federal government would not have a claim to GVSUD’s sewer CCN.

Because there is no authority for the Commission to consider the existence of federal debt under 7 U.S.C. § 1926(b) and because GVSUD did not pledge its sewer CCN as collateral for its federal loan, GVSUD’s claim is without merit. As such, GVSUD’s Motion should be denied.

¹⁴ 7 U.S.C. § 1926(b).

¹⁵ *Chesapeake Ranch Water Co. v. Bd. of Comm’rs*, 401 F.3d 274, 278 (4th Cir. 2005); *Le-Ax Water Dist. v. City of Athens*, 346 F.3d 701, 705 (6th Cir. 2003); *Creedmoor-Maha Water Supply Corp. v. Tex. Comm’n on Envtl. Quality*, 307 S.W.2d 505, 519 (Tex. App.—Austin 2010, no pet).

¹⁶ The bond issue for the U.S. Department of Agriculture Rural Development loan was in 2003, however, GVSUD’s CCN No. 20973 was not granted until 2004.

III. CONCLUSION AND PRAYER


WHEREFORE, PREMISES CONSIDERED, the City of Cibolo respectfully requests that the Commission deny GVSUD's Plea to Jurisdiction and Motion to Dismiss for the reasons stated herein, and that it be granted such further relief to which it is entitled.

Respectfully submitted,

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

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

DAVID J. KLEIN
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ATTORNEYS FOR THE CITY OF CIBOLO

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 19th day of May, 2016 to the parties of record.



Christie Dickenson

ATTACHMENT A



Ms. Dickenson's Direct Line: (512) 322-5804
Email: cdickenson@lglawfirm.com

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2016 APR 13 PM 3:00

PUBLIC UTILITY COMMISSION
FILE NO. 45702-1

816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532
www.lglawfirm.com

April 13, 2016

Honorable Susan E. Goodson
Administrative Law Judge
Public Utility Commission
Central Records – Room 8-100
1701 N. Congress Avenue
Austin, Texas 78701

Re: PUC Docket No. 45702; Application of the City of Cibola ("City") for Single Certification in Incorporated Area and to Decertify Portions of Green Valley Special Utility District's Sewer CCN in Guadalupe County

Dear Administrative Law Judge Goodson:

On April 7, 2016, Public Utility Commission ("PUC") Staff filed its Comments on Completeness indicating that the above-referenced application was administratively incomplete and deficient. On April 12, 2016, Order No. 2 was issued, affirming the PUC Staff's findings and requiring the City to cure such deficiencies by May 11, 2016. At this time, the City is providing its proof of service of its application to Green Valley SUD, attached as Attachment A.

If there are any questions regarding this submittal, I can be reached at 512-322-5804 or cdickenson@lglawfirm.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christie L. Dickenson".

Christie L. Dickenson

CLD/dsr
Enclosures

Lloyd Gosselink Rochelle & Townsend, P.C.

ATTACHMENT A

ATTACHMENT A

ATTACHMENT A

AFFIDAVIT OF NOTICE TO GREEN VALLEY SPECIAL UTILITY DISTRICT
PUC DOCKET NO. 45702

THE STATE OF TEXAS

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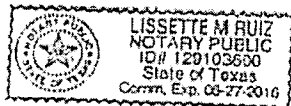
COUNTY OF TRAVIS

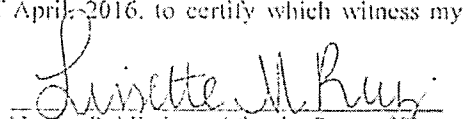
I, Christie Dickenson, being duly sworn, file this form as attorney for the City of Cibola, that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application and have complied with all notice requirements in the application and that all such statements made and matters set forth therein are true and correct.

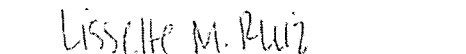
I hereby certify that on April 12, 2016, the attached application was electronically sent to Mr. Mark A. Zeppa, attorney for Green Valley Special Utility District, and subsequently, was also electronically sent to Ms. J.J. Smith as directed by Mr. Zeppa's automatic email reply. I also hereby certify that on April 12, 2016, I mailed via certified mail, return receipt requested, a copy of the attached application to Mr. Pat Allen, General Manager for Green Valley Special Utility District, at the address provided on my cover letter.


Applicant's Authorized Representative

Subscribed and sworn to before me this 13th day of April, 2016, to certify which witness my hand and seal of office.




Notary Public in and for the State of Texas


Print or Type Name of Notary Public

Commission Expires 8/27/16

ATTACHMENT A



Ms. Dickenson's Direct Line: (512) 322-5804
Email: edickenson@lglawfirm.com

510 Congress Avenue, Suite 1700
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 477-0532
www.lglawfirm.com

April 12, 2016

Law Offices of Mark H. Zeppa
Attn: Mr. Mark Zeppa
4833 Spicewood Springs, Suite 202
Austin, Texas 78759

VIA ELECTRONIC MAIL

Green Valley Special Utility District
Attn: Mr. Pat Allen, General Manager
529 South Center Street
Marion, Texas 78124

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: City of Cibola's Notice of Application; PUC Docket No. 45702

Dear Sirs:

On August 19, 2015, the City of Cibola (the "City") provided Green Valley Special Utility District ("GVSUD") with notice under Texas Water Code ("TWC") § 13.255 that the City intends to provide retail sewer service and decertify portions of GVSUD's sewer Certificate of Convenience and Necessity ("CCN") No. 20973 that are within the City's corporate limits.

This letter hereby notifies GVSUD that on March 8, 2016, the City filed its application to amend CCN No. 20973 under TWC § 13.255 with the Public Utility Commission. Attached hereto for your convenience is a file-stamped copy of that March 8, 2016 application.

Should you have any questions, please feel free to contact me at (512) 322-5804 or edickenson@lglawfirm.com.

Sincerely,

Christie L. Dickenson

CLD/dsr
Enclosure

cc: Robert Herrera, City Manager, City of Cibola (w/o enclosures)
David Klein, of the Firm (w/o enclosures)

7076112.3

Lloyd Gosselink Rochelle & Townsend, P.C.

ATTACHMENT A



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Certificate of Convenience and Necessity (CCN) Under Water Code Section 13.255

<p>Docket Number: _____</p> <p>(this number will be assigned by the Public Utility Commission after your application is filed)</p>
<p>7 copies of the application, including the original shall be filed with</p> <p>Public Utility Commission of Texas Attention: Filing Clerk 1701 H. Congress Avenue P.O. Box 13326 Austin, Texas 78711-3326</p> <p>If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.</p>

<p>1. Purpose of application</p> <p>Check all boxes that apply.</p> <p>The purpose of this application is to:</p> <p><input checked="" type="checkbox"/> Obtain single certification to a service area within the cities limits; and /or</p> <p><input type="checkbox"/> Amend Certificate of Convenience and Necessity (CCN) No. _____</p> <p>to provide <input type="checkbox"/> water or <input checked="" type="checkbox"/> sewer service to:</p> <p>portions of the City of Cleburne's corporate limits _____ (Subdivision or Area) and to decertify</p> <p>a portion of _____ Green Valley Special Utility District's Sewer CCN No. 20073 _____ (Name of Utility and CCN No.)</p>		
<p>2. Applicant</p> <p>Name of City: City of Cleburne</p> <p>Mailing address: 207 S. Main P.O. Box 523, Cleburne, Tex 76039</p> <p>Phone: (214) 524-5554 Fax: (214) 524-1387 Email: thomasa@cleburne.gov</p> <p>Tax Identification number: 76-0000000</p>		

ATTACHMENT A

3. County of counties		
Name of county(ies) where the city intends to provide retail public utility service. Guadalupe County		
4. Contact Information		
Contact person regarding this application:		
Name: David Klein	Title: Attorney	
Mailing address: 816 Congress Avenue, Suite 1800, Austin, Texas 78701		
Phone: (512) 322-5813	Fax: (512) 473-0532	Email: dklein@biglawfirm.com
5. Retail public utility		
Retail public utility currently certificated to the area involved in this application:		
Utility Name: Green Valley Special Utility District ("GVSUD")	Title:	
Mailing address: P O. Box 99, Marion, Texas 78124-0099		
Phone: (830) 914-2330	Fax: (830) 430-4135	Email:
Retail public utility contact person regarding negotiations with the city over the service area involved:		
Name: Pat Allen	Title: General Manager	
Mailing address: P O. Box 99, Marion, Texas 78124-0099		
Phone: (830) 914-2330	Fax: (830) 430-4135	Email: palen@gvsud.org
6. Service area		
On what date was this proposed service area incorporated by the city? The service area was annexed between 2009-2013.		
7. Negotiation date between city and retail public utility		
On what date did negotiations begin between the city and the retail public utility? August 18, 2015		
8. Notice date		
On what date was notice of the city's intent to provide service to the incorporated or annexed area provided to the retail public utility made? August 18, 2015		
Please attach a copy of the notice provided. Also attach a copy of the mailing list indicating to whom such notice was provided. See Attachment A		
9. Description of retail public utility facilities		
Please provide a brief description of the retail public utility's facilities in the service area involved in this application. Also indicate how many customers are currently receiving service from the retail public utility in this area: It is the City's understanding that GVSUD has no wastewater facilities and no wastewater customers in the area to be decertified by this application.		

ATTACHMENT A

III. Service Date		
Provide the date when city service to the area can begin. <i>Upon approval by PUC.</i>		
IV. Franchised Utility Information		
If the city will allow a franchised utility to provide service to the area involved, please attach a copy of the city consent or franchise agreement and provide the following information:		
Utility Name: <i>NA</i>		
Mailing address:		
Phone:	Fax:	Email:
Franchised Utility's CCN Number:		
Franchised Utility's contact person and their address:		
Name:		Title:
Mailing address:		
Email:		Phone:
Phone:	Fax:	Email:
V. Maps and Requirements		
All maps should include applicant's name, address, telephone number, and date of drawing or revision and be folded to 8 1/2" x 11 inches. <i>See Attachment B</i>		
Attach the following maps with each copy of the application:		
<p>A. Subdivision plat or engineering plans or other large scale map showing the following:</p> <ol style="list-style-type: none"> 1. The exact proposed service area boundary showing locations of requests for service and locations of existing connections (if applicable). 2. Wires and bounds (if available). 3. Proposed and existing service area boundaries should be plotted on the map in relation to verifiable natural and man-made landmarks such as roads, creeks, rivers, railroads, etc. 4. Service area boundaries should be shown with such exactness that they can be located on the ground. <p>❖ <i>Applicant may use a USGS 7.5"-minute series map if no other large scale map is available.</i></p> <p>B. Small scale location map delineating the proposed service area. The proposed service area boundary should be delineated on a copy of the official CCN map. This map will assist the Public Utility Commission in locating the proposed service area in relation to neighboring utility service areas.</p> <p>C. Hard copy maps should include the following items:</p> <ol style="list-style-type: none"> 1. Map scale should be prominently displayed. 2. Color coding should be used to differentiate the applicant's existing service areas from the proposed service area. 3. Attach a written description of the proposed service area. 4. Proposed service area should be the same on all maps. 5. Include map information in digital format (if available), see 13. GIS map information. <p>D. Each utility shall make available to the public at each of its business offices and designated sales offices within Texas the map of the proposed service area currently on file with the Commission. The applicant employees shall lend assistance to persons requesting to see a map of the proposed area upon request.</p> <p>❖ <i>For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC's website for assistance.</i></p>		

ATTACHMENT A

A. Digital Map Requirements: In order that your digital data can be properly used, the following information is necessary: <ol style="list-style-type: none">1. Submit digital data of the proposed CCN service area on a CD, flash drive, or DVD. Two digital copies are necessary. Most files of CCNs (minus the base map) should be small enough to zip up and put on a CD.2. The digital data should include all items represented in the hard copy maps.3. Please identify data file format, projection information, map units and base map used. Acceptable Data file Format:<ol style="list-style-type: none">a. ArcView shape file (preferred)b. Arc/Info E00 file <p>❖ For information on obtaining a CCN base map or questions about sending digital map data, please visit the <i>Water Utilities</i> section of the PUC website for assistance.</p>
ALL APPLICABLE QUESTIONS MUST BE ANSWERED FULLY.
THE APPLICATION WILL NOT BE ACCEPTED FOR FILING WITHOUT MAPS.
PLEASE NOTE THE FILING OF THIS APPLICATION DOES NOT CONSTITUTE AUTHORITY TO PROVIDE WATER/SEWER SERVICE IN THE REQUESTED AREA.

ATTACHMENT A

OATH

State of Texas

County of Gundakap

I, Robert T. Herrera, being duly sworn, file this

application under V.T.C.S., Water Code Section 15.255 as City Manager
(Name of the City); that in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps filed with this application, and have complied with all the requirements contained in this application and that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended from its original form available only from the Commission.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certified service area.

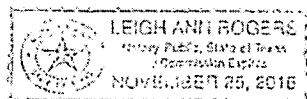
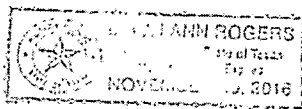
Robert T. Herrera
AFFIANT

(Applicant's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO before me, a Notary Public in and for the State of
Texas, this 21 day of October, 2015.

SEAL



[Signature]
NOTARY PUBLIC

Application for a Certificate of Public Utility under Article 16, Chapter 16, Texas Water Code

Page 5 of 5

ATTACHMENT A

ATTACHMENT A - NOTICE OF INTENT TO SERVE

6

10

ATTACHMENT A



From the Office of Robert T. Herrera, City Manager
City of Cibola 200 S. Main / PO BOX 826 Cibola, Texas 78108 (210) 658-9900 rc@cityofcibola.com

COPY

August 14, 2015

Green Valley Special Utility District
Attn: Pat Allen, General Manager
529 South Center Street
Marion, TX 78124

VIA HAND DELIVERY & USPS REGULAR MAIL

Re: Notice of Intent by the City of Cibola to Provide Sewer Service in Corporate Limits

Dear Mr. Allen:

The City of Cibola ("City") currently provides retail sewer service to customers located within certain portions of the City's corporate limits and extra-territorial jurisdiction ("ETJ"). However, other portions of the City's corporate limits overlap with Green Valley Special Utility District's ("Green Valley SUD") sewer certificate of convenience and necessity ("CCN") No. 20973.

In accordance with Texas Water Code § 13.255, the City hereby provides Green Valley SUD with notice that the City intends to provide retail sewer service to the areas within its corporate limits that overlap with Green Valley SUD's sewer CCN service area ("Transition Areas"), which are more specifically depicted in light blue on the attached map, attached hereto as Attachment A. The yellow areas on Attachment A are additional tracts that are currently subject to annexation agreements with the City, and the City anticipates annexing these tracts in the near future. For your convenience, attached hereto as Attachment B, are field notes for the entire light blue and yellow shaded areas, which are bounded on the south by U.S. Interstate Highway 10; on the west by Cibola Creek; on the north by Lower Spring Road, Haeckerville Road, and Arroyo Road; and on the east by the Court Decreed ETJ Boundary of the City and the City of Marion, as well as the boundaries of GCAD Parcel Nos. 70979 and 71064.

We look forward to discussing the terms of an agreement between the City and Green Valley SUD, which will detail the arrangement between the parties for the City's provision of retail sewer service to these Transition Areas. If you have any questions, please contact me at (210) 658-9900.

Sincerely,

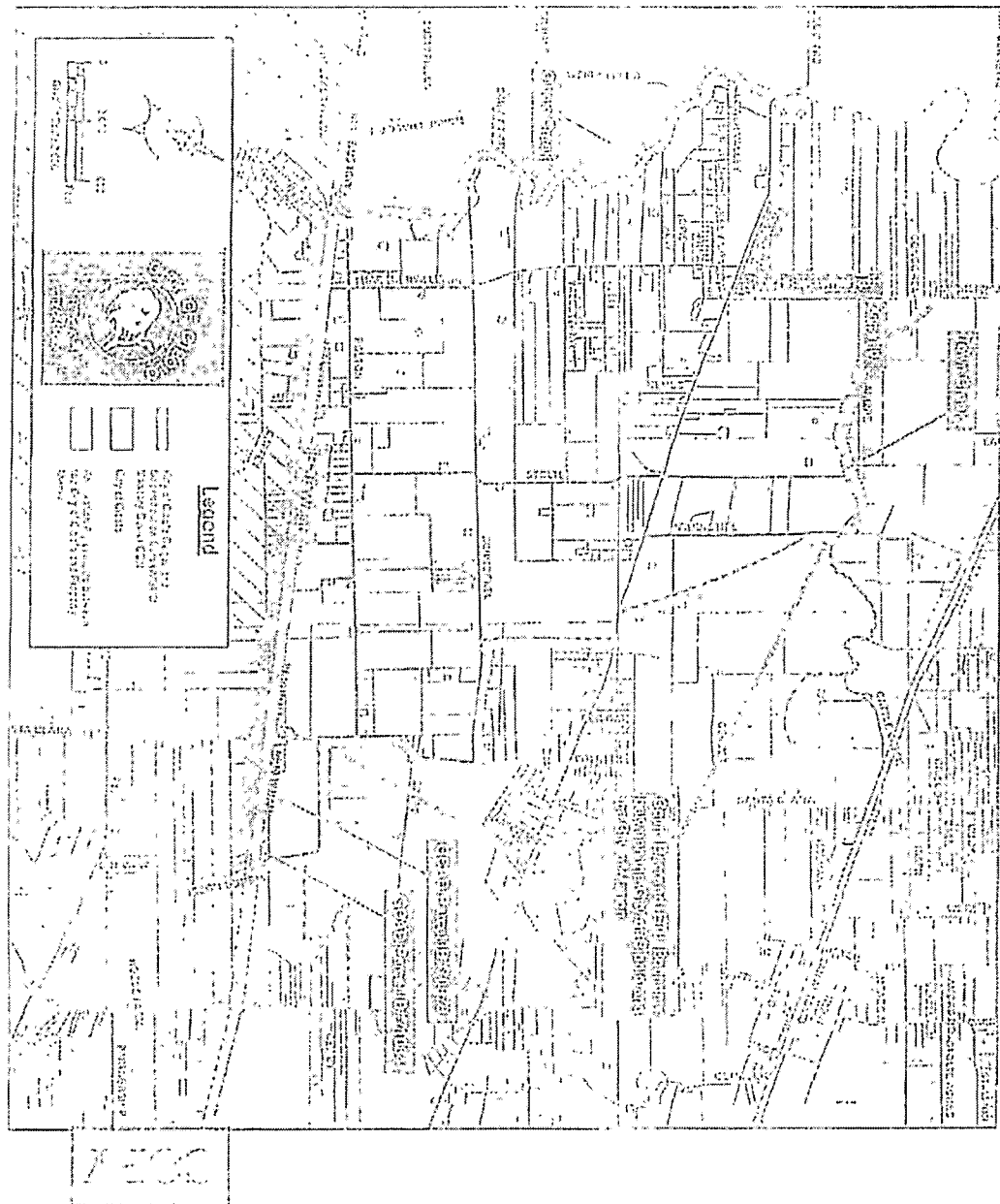
Robert T. Herrera

Robert T. Herrera
City Manager

CC: Mayor Jackson [City Council] Peggy Chiles, City Secretary | Rudy Klein, Director of Planning & Engineering

Encls. (2)

ATTACHMENT A



ATTACHMENT A

ATTACHMENT A

ATTACHMENT B

COPY

Field Notes for a 5,882 Acre area of land to be Certified into the City of Cibola's Certificate of Convenience and Necessity (CCN) area; said 5,882 Acres of Land is in the existing City Limits or ETD of the City of Cibola, Guadalupe County, Texas

Beginning at the intersection of Hackerville Road and Arzpe Road, said intersection being 7,515 feet south of the intersection of Hackerville Road and Farm to Market Road 78, said point of beginning also being in the Extra Territorial Jurisdictional (ETJ) area for the City of Cibola, Guadalupe County, Texas

Thence in an easterly direction with Arzpe Road, approximately 2,334 feet to the intersection and crossing of Town Creek, an intermittent tributary to the Cibola Creek;

Thence in an easterly direction with the meanders of Town Creek, approximately 6,860 feet to the intersection of Phantel Lane and the Court Deceerd ETD Boundary between the City of Cibola and the City of Marion;

Thence in a southerly direction with the Court Deceerd ETD Boundary between the City of Cibola and the City of Marion, approximately 18,565 feet to the northeast corner of a 124.75 acre tract of land identified by the Guadalupe County Appraisal District as Parcel # 29079;

Thence in a southerly direction with the east line of said 124.75 acre tract, approximately 1,630 feet to the southeast corner of said tract, also being the north east corner of a 7,658 acres tract of land identified by the Guadalupe County Appraisal District as Parcel # 71064;

Thence in a southerly direction with the east line of said 7,658 acre tract, approximately 330 feet to the southeast corner of said tract, also being on the north right-of-way line of Interstate Highway 10;

Thence in a southeasterly direction with the north right-of-way line of Interstate Highway 10, approximately 29,600 feet to the intersection and crossing of the Cibola Creek, the centerline of said Cibola Creek also being the western limit of the ETD of the City of Cibola;

Thence in a northerly direction with the meanders of Cibola Creek, approximately 21,350 feet to the intersection and crossing of River Seema Road;

Thence in an easterly direction with River Seema Road, approximately 5,005 feet to the intersection with Hackerville Road;

Thence in a northerly direction with Hackerville Road, approximately 1,000 feet to the point of beginning and containing 5,882 acres more or less.

ATTACHMENT A

ATTACHMENT B

RESPONSE TO SECTION 12 – MAPPING

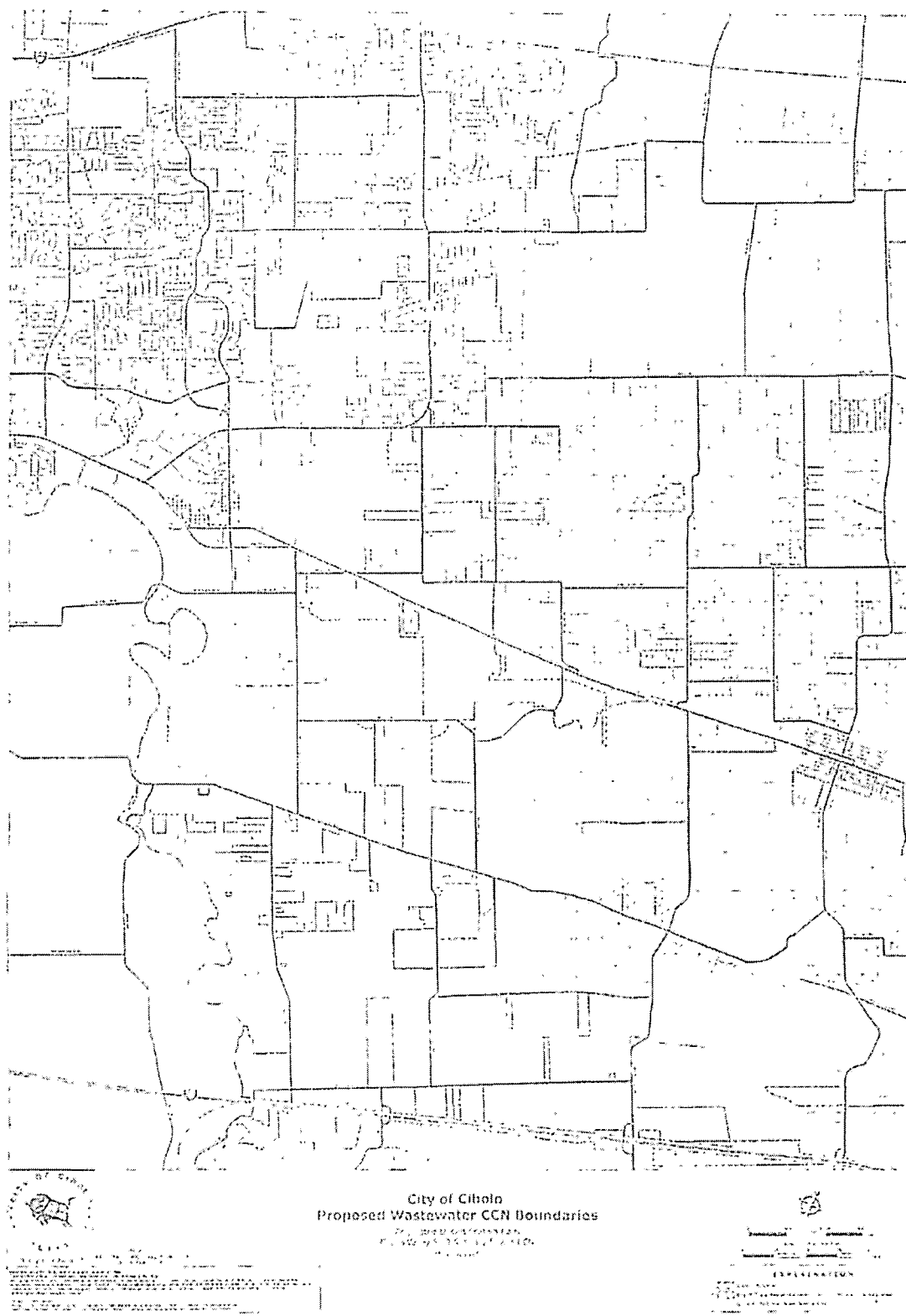
1. Large Scale Map depicting service area and area to be decertified (see attached map)
2. Small Scale Map depicting area to be decertified (see attached map)
3. Maps in digital format (see attached cd rom)
4. Written Description (see below):

Through this application, the City of Cibola requests single sewer CCN certification/decertification of approximately 1,694 acres of land from Green Valley SUD's sewer CCN No. 26973 ("Decertified Land"). The Decertified Land is within the corporate limits of the City, and is generally bounded on the south by U.S. Interstate Highway 10; on the west by Cibola Creek; on the north by Lower Seguin Road, Hackerville Road, and Arizona Road; and on the east by the Court Decreed ETJ Boundary of the City and the City of Marion, as well as the boundaries of Goodhue County Appraisal District Parcel Nos. 70979 and 71064.

ATTACHMENT A

ATTACHMENT B.I. LARGE SCALE MAP (OVERSIZED DOCUMENT)

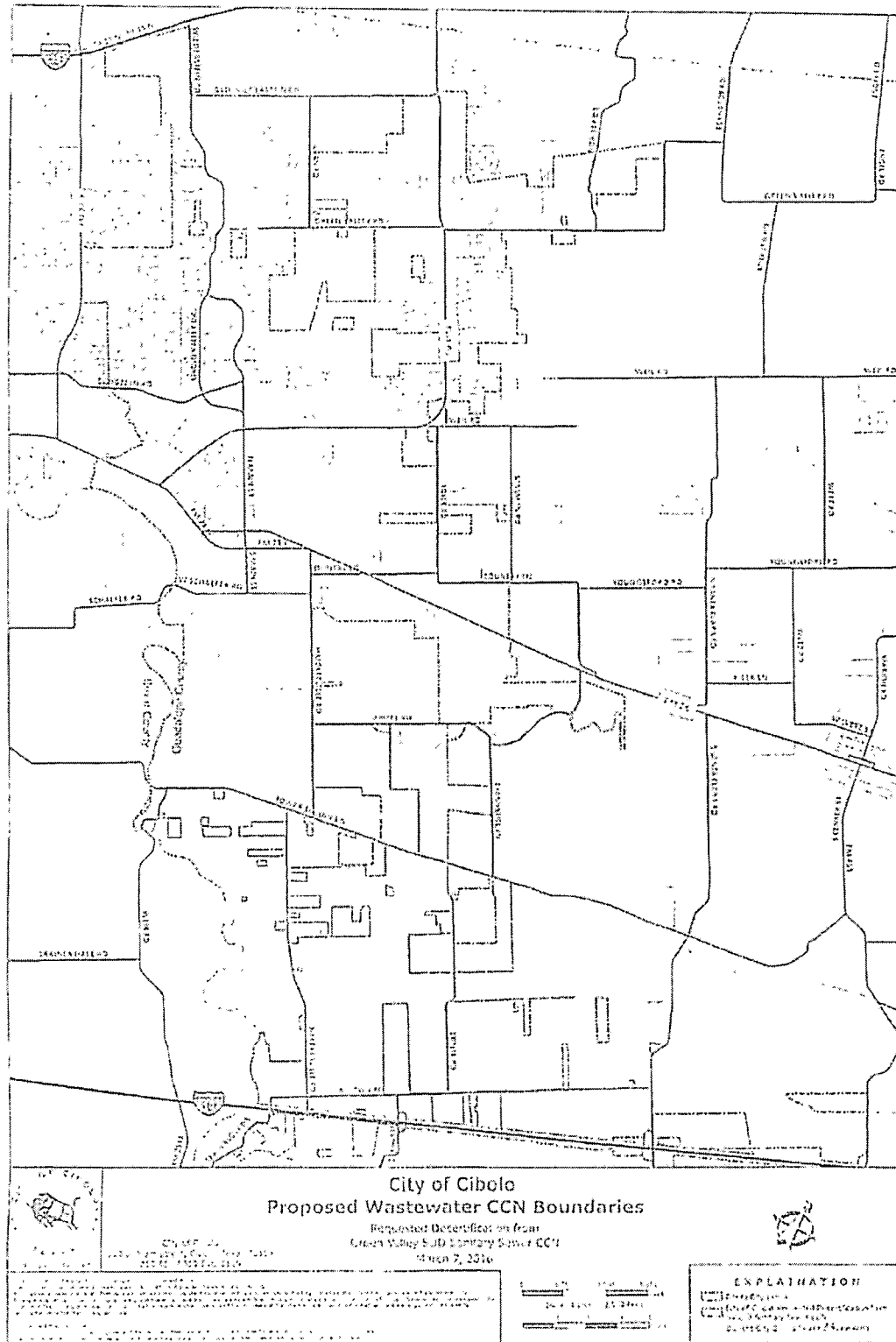
ATTACHMENT A



ATTACHMENT A

ATTACHMENT B.2. SMALL SCALE MAP

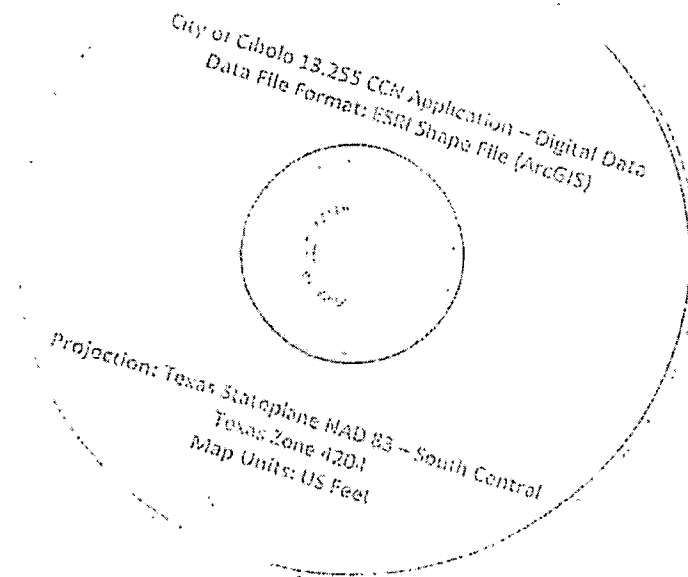
ATTACHMENT A



ATTACHMENT A

ATTACHMENT B.3. MAPS IN DIGITAL FORMAT

ATTACHMENT A



ATTACHMENT B

7015 3010 0001 0405 0986

Postal Service
UNITED STATES
E-MAIL

270

1.99

Mr. Pat Allen
Green Valley Special Utility District
P.O. Box 99
Marion, TX 78124

257-1 dsc
3-7-01-00

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <u>B. Allen</u> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Mr. Pat Allen Green Valley Special Utility District P.O. Box 99 Marion, TX 78124</p>		<p>B. Received by (Printed Name) <u>Pat Allen</u> C. Date of Delivery <u>4-22-02</u></p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>	
		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
<p>2. Article Number (Transfer from service label) <u>7015 3010 0001 0405 0986</u></p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

PS Form 3811, February 2004

Post Office Return Receipt

1-200-02-10-1000

ATTACHMENT B



Ms. Dickenson's Direct Line: (512) 322-5804
Email: edickenson@lglawfirm.com

1111 Congress Avenue, Suite 900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-6532
www.lglawfirm.com

April 20, 2016

Green Valley Special Utility District
Attn: Mr. Pat Allen, General Manager
P.O. Box 99
Marion, Texas 78124

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: City of Cibolo's Notice of Application: PUC Docket No. 45702

Dear Mr. Allen:

On August 19, 2015, the City of Cibolo (the "City") provided Green Valley Special Utility District ("GVSUD") with notice under Texas Water Code ("TWC") § 13.255 that the City intends to provide retail sewer service and decertify portions of GVSUD's sewer Certificate of Convenience and Necessity ("CCN") No. 20973 that are within the City's corporate limits.

On March 8, 2016, the City filed its application to amend CCN No. 20973 under TWC § 13.255 with the Public Utility Commission. On April 12, 2016, a copy of the application was sent to your office at 529 South Center Street, Marion, Texas 78124 via certified mail return receipt requested. However, the package was returned to us unopened on April 20, 2016.

On April 20, 2016, Lissette Ruiz, my paralegal, contacted Green Valley SUD's customer service line and spoke with a representative named Brandy who instructed her to resend the package to PO Box 99, Marion, Texas 78124. Accordingly, we are resending a file-stamped copy of the City's March 8, 2016 application.

Should you have any questions, please feel free to contact me at (512) 322-5804 or David Klein at (512) 322-5818.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christie L. Dickenson".

Christie L. Dickenson

CLD/dsr
Enclosure

7083520.1

Lloyd Gosselink Rochelle & Townsend, PC

ATTACHMENT B

April 8, 2016

Page 2

cc Mark Zeppa, Attorney for Green Valley SUD
J. J. Smith, Assistant to Mark Zeppa
Robert Herrera, City Manager, City of Cibola (w/o enclosures)
David Klein, of the Firm (w/o enclosures)

ATTACHMENT C

DOCKET NO. 45702

11/16/2016 PM 3:20

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

PUBLIC UTILITY COMMISSION

OF TEXAS

CITY OF CIBOLO'S RESPONSE TO ORDER NO. 2

COMES NOW the City of Cibolo (the "City"), by and through its undersigned attorneys of record, and files this Response to Order No. 2 ("Response"), Finding Application Incomplete and Deficient, Establishing Deadlines and Opportunity to Cure in this matter, and would respectfully show the following:

I. BACKGROUND

On March 8, 2016, the City timely filed its application at the Public Utility Commission ("Commission") under TWC § 13.255 (the "Application") to grant the City single sewer certification over certain, specific tracts of land that are currently within the City's corporate limits and that are also within the boundaries of Green Valley Special Utility District's ("GVSUD") sewer certificate of convenience and necessity ("CCN") No. 20973. On April 7, 2016, Commission Staff filed its Comments on Completeness indicating that the Application was administratively incomplete and deficient. On April 12, 2016, Order No. 2 was issued, adopting the recommendations of the Commission Staff's findings and requiring the City to cure such deficiencies by May 11, 2016. Thus, this response is timely filed.

1

CITY OF CIBOLO'S RESPONSE TO ORDER NO. 2

Page 1

ATTACHMENT C

II. NOTICE OF APPLICATION

The City has provided GVSUD with notice of the Application. On April 12, 2016, the City provided a copy of the Application to GVSUD's general counsel, Mark Zeppa, by electronic mail. Based upon prior written correspondence and phone conversations between the undersigned counsel and Mr. Zeppa, it is the City's understanding and belief that Mr. Zeppa was GVSUD's attorney.

The City also mailed a copy of the Application to GVSUD on April 12, 2016, at its physical address - 529 South Center Street, Marion, Texas 78124 - and to the attention of Pat Allen, General Manager of GVSUD, via certified mail return receipt requested. However, the letter was returned on April 20, 2016 to the City as undeliverable.

Consequently, the City re-mailed a copy of the Application to GVSUD on April 20, 2016, at its P.O. Box address - P.O. Box 99, Marion, Texas 78124 - and to the attention of Pat Allen, General Manager of GVSUD, via certified mail return receipt requested. The City received verification from the U.S. Postal Service that the Application was delivered and accepted by GVSUD, and a copy of such verification is attached hereto as Attachment A.¹

III. STATUS ON COMMENCING THE "APPRAISER" PROCESS UNDER 16 TEX. ADMIN. CODE § 24.120(m).

The City has commenced the portion of the CCN decertification process described in Tex. Water Code § 13.255(d) and 16 Tex. Admin. Code § 24.120(m), as requested by the Commission. On April 26, 2016, the City provided a letter to Mr. Paul Terrill, attorney for GVSUD, and Pat Allen, General Manager for GVSUD, asking whether GVSUD would be willing to agree, select, and appoint Mr. Jack Stowe, President of NewGen Strategies &

¹ On page 4 of GVSUD's Motion to Intervene and Deadline Request (page 3 of the Motion itself), the City is cited as "Ex. 9" on the Commission's Interchange for this matter. GVSUD's new attorney also acknowledges receipt of the notice of this Application.

ATTACHMENT C

Solutions, LLC to serve as the independent appraiser to conduct the appraisal in this matter. A copy of such letter is attached hereto as Attachment B. A response has not been received from GVSUD as of the time of this filing, and more than 11 days have passed since the City provided such April 26, 2016 letter to GVSUD.

Accordingly, by a separate filing filed contemporaneously with this Response, the City appoints Mr. Jack Stowe to serve as its independent appraiser in this matter. At this point, GVSUD is required under Texas Water Code § 13.255(d) to appoint an independent appraiser as well, and that the two appraisers are required to meet within 10 days of today to reach an agreed determination of the amount of compensation, if any.

IV. CONCLUSION AND PRAYER

The City respectfully requests that the Commission deem the Application administratively complete and such other and further relief to which it may be entitled.

ATTACHMENT C

Respectfully submitted,

LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.

816 Congress Avenue, Suite 1900

Austin, Texas 78701

(512) 322-5800

(512) 472-0532 (Fax)



DAVID J. KLEIN

State Bar No. 24041257

dklein@lglawfirm.com

CHRISTIE DICKENSON

State Bar No. 24037667

cdickenson@lglawfirm.com

ATTORNEYS FOR THE CITY OF CIBOLO

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 11th day of May, 2016 to the parties of record.



David J. Klein

ATTACHMENT C

ATTACHMENT A

7035 7010 0011 0103 0036

Mr. Pat Allen
Green Valley Special Utility District
P.O. Box 99
Marion, TX 78121

Delivered
2/21/00

<p>COMPLETE THIS SECTION (TO BE COMPLETED BY ADDRESSEE)</p> <p>1. Article addressed to:</p> <p>Mr. Pat Allen Green Valley Special Utility District P.O. Box 99 Marion, TX 78121</p>		<p>COMPLETE THIS SECTION (TO BE COMPLETED BY POSTAL SERVICE)</p> <p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Date of Delivery <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C. Is delivery address different from item 1? If YES, enter delivery address below:</p>	
<p>2. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Registered Mail or Registered Mail</p>		<p>3. Return to Sender <input type="checkbox"/> Return to Sender <input type="checkbox"/> Return to Addressee <input type="checkbox"/> Return to Post Office</p>	
<p>PS Form 3811, Rev. 10-97</p>			

ATTACHMENT C

ATTACHMENT B



Mr. Paul M. Terrill III
1000 J. Paul Getty Center
Los Angeles, CA 90047

Mr. Paul M. Terrill III
1000 J. Paul Getty Center
Los Angeles, CA 90047
Tel: 310.207.1234
Fax: 310.207.1235
Email: paul.terrill@lloydgosselink.com

April 26, 2016

Lei T & Waldrop
Attn: Paul M. Terrill III
810 W. 10th Street
Austin, TX 78701

VIA ELECTRONIC MAIL
AND HAND DELIVERY

Re: Selecting an Appraiser for the City of Cibola's Application to Decertify Portions
of GVSUD's Sewer CCN Boundaries under Texas Water Code § 13.255; Public
Utility Commission Docket No. 45702

Dear Mr. Terrill:

It is our understanding from the "Green Valley Special Utility District's Motion to Intervene and Deadline Request," filed with the Public Utility Commission ("Commission") on Friday, April 22, 2016, that your firm is representing Green Valley Special Utility District regarding the above-referenced matter. Please let me know if this understanding is incorrect.

As you may know, by letter dated August 18, 2015, the City of Cibola ("City") provided Green Valley Special Utility District with notice under Texas Water Code § 13.255 that it intend to provide retail sewer service within certain portions of Green Valley Special Utility District's ("GVSUD") sewer certificate of convenience and necessity ("CCN") No. 20973 that are also located within the City's corporate limits (through annexation). During the 180 day period following the delivery of such notice to GVSUD, the City attempted to work with the GVSUD in determining whether an agreement could be reached regarding this service area, but GVSUD refused to meet with the City and an agreement was not reached. Consequently, after the completion of that 180 day period, the City filed a petition at the Public Utility Commission ("Commission") to decertify such portions of GVSUD's sewer CCN service area and to become singly certificated for such land under Texas Water Code § 13.255 (the "Application"). My firm represents the City with this pending application.

At this point, Texas Water Code § 13.255(d) and 16 Tex. Admin. Code § 24.120(m) provide that the City and GVSUD need to determine whether they can agree on a qualified individual or firm, to serve as an independent appraiser. The purpose of the appraiser is to evaluate whether the City should compensate GVSUD under the factors in Texas Water Code §

Lloyd Gosselink, Rochelle & Townsend, P.C.

ATTACHMENT C

ATTACHMENT B


Mr. Paul M. Terrill III
April 26, 2016
Page 2

3255(g). The City believes that the City and GVSUD should select and appoint Mr. Jack Stowe, President of NewGen Strategies & Solutions, LLC, to conduct such appraisal. With decades of experience in conducting appraisals of water and wastewater utility systems, Mr. Stowe is qualified to complete this appraisal for the City and GVSUD. A copy of his resume is attached hereto as Attachment 1 for your convenience.

Please let me know if GVSUD will agree to join the City and appoint Mr. Stowe as the appraiser for the Application no later than Thursday, May 5, 2016.

I look forward to discussing this matter with you, and hopefully the parties can proceed in a cooperative, cost-efficient manner. If you have any questions in the meantime, do not hesitate to contact me at (512) 322-5800.

Sincerely,


David J. Klein
Attorney for the City of Crisolo

cc: Jack Stowe, President, NewGen Strategies & Solutions, LLC
Robert Herrera, City Manager for the City
Landon Hill, Attorney for the Commission
Mark Zeppa, attorney for GVSUD
Christie Dickenson, of the Firm

cc: 3255(g)

ATTACHMENT C

ATTACHMENT B

ATTACHMENT I

ATTACHMENT C

ATTACHMENT B



Jack E. Stowe, Jr.
Director, Environmental Practice
jstowe@newgenstrategies.net

Mr. Stowe's Public Sector consulting career began in 1973. His career includes nine years in a "big-eight" public accounting and consulting firm where he held the title of Manager at the time of his resignation. After serving one and one-half years as Chief Financial Officer and Treasurer of an international Real Estate firm, Mr. Stowe founded Arco Resource Management as a consulting group dedicated to serving the Public Sector. In 1986, Arco Resource Management entered into a partnership agreement with Reed Financial Services, Inc., to form Reed-Stowe & Co. Effective October 2000 the company was renamed Reed, Stowe & Clarke, LLC and in March 2003 was acquired by R. W. Beck, Inc. During his tenure with R.W. Beck, Mr. Stowe served as the Local Practice Leader for the firm's Utility Services Practice - Gulf Coast Region. Upon expiration of his employment contract with R.W. Beck in March 2008, Mr. Stowe founded J. Stowe & Co. In September 2012, Mr. Stowe became President of the Environmental Practice for NewGen Strategies & Solutions. Mr. Stowe assumed the position of Director, in January of 2015.

EDUCATION

- Bachelor of Arts in Accounting, North Texas State University

PROFESSIONAL AFFILIATIONS

- Texas Water Conservation Association (TWCA)
- American Water Works Association (AWWA)

EXPERIENCE

Mr. Stowe's experience is highlighted by the major roles he has fulfilled in assisting Public Sector entities in achieving major cost savings through contract negotiations for services and implementation of organization and operational enhancements. A brief example of engagements conducted by Mr. Stowe includes:

- New water service contract negotiation between the City of Arlington and the Tarrant County Water Improvement District No. 1 (now Tarrant Regional Water District)
- Wastewater service contract negotiation between the Customer Center and the City of Fort Worth. Representing the twenty-six Customer Centers of Fort Worth a detailed wastewater cost of service study was conducted to provide the foundation for contract renewal negotiations.
- Assisted TWCA-USA, Inc. in the successful aggregation of 15 TWCA members. This effort has resulted in the release of a Request for Bid on approximately 800,000 GPD AWW brought to market.

Mr. Stowe has also participated in negotiations of operation, maintenance and management or privatization outsourcing contracts for the following:

- Red River Redevelopment Authority - water, wastewater, gas, electric, steam and industrial waste treatment
- Southwest Division of United States - City privatization of electric, gas, water and wastewater operations

In addition, Mr. Stowe authored the "Market Strategies for Improved Service by Water Utilities Report" on behalf of the Texas Water Development Board. This study analyzes and presents the status of privatization of water utility operations within the State of Texas contrasted against national activity. Also for the Texas Water Development Board, Mr. Stowe authored the study titled "Socioeconomic Impact of Interbasin Transfers in Texas".

This study was undertaken to determine the impact of current legislation on the consideration of interbasin transfers as potential water management strategies by the State's regional water planning groups.

Exhibits | Charts | Appendices | Glossary
www.newgenstrategies.net

ATTACHMENT C

ATTACHMENT B

Jack E. Stowe, Jr.
Director, Environmental Practice

Mr. Stowe has also been actively involved in water utility system valuation, and has performed such studies for the following entities:

- RCN Water Supply Corporation
- Kelly Air Force Base
- Walker County Water Supply Corporation
- Johnson County Water Supply Corporation
- High Point Water Supply Corporation
- Liberty City Water Supply Corporation
- Payne City, Texas / BHP Water Supply Corporation
- Groundwater Valuation - Oakland County, Michigan, Wood Wind Water System, LLC
- Groundwater Valuation - Oakland County, Michigan, Oakland Exploration Water System, LLC

The results of the above valuations served as the foundation for the sale/transfer of ownership for the utilities identified or the donation of the assets in accordance with Section 170 of the Internal Revenue Service Code of 1986.

The following is sample list of clients for which Mr. Stowe has performed water and/or wastewater cost of service, customer class cost allocation, and/or rate design study, including wholesale, clients:

- | | |
|--|-------------------------------------|
| • Arlington, Texas | • Granger, Texas |
| • Argyle Water Supply Corporation | • Hobbs, New Mexico |
| • Barton Creek Lakeside | • Kaufman, Texas |
| • Belknap, Texas | • Kemmer Water Supply Corporation |
| • Berger, Texas | • Midgar, Texas |
| • Cameron County Fresh Water Supply District No. 1 | • Midland, Texas |
| • Celina, Texas | • Newhall, Texas |
| • Coppens Cove, Texas | • Lubbock, Texas |
| • Corsicana, Texas | • Mesquite, Texas |
| • Dallas Water Utilities | • Midlothian, Texas |
| • Denton, Texas | • Montgomery County MUD |
| • Devers Canal System | • North Myrtle Beach, SC |
| • E. Old Water Supply Corp. | • North Richland Hills, Texas |
| • Farmers Branch, Texas | • Pecos, Texas |
| • Ft. Worth, Texas | • Round Rock, Texas |
| • Georgetown, Texas | • Rockwall Special Utility District |
| • Gilmer, Texas | • Rowlett, Texas |
| • Glenn Heights, Texas | • Slaton, Texas |
| | • Sugar, Texas |

ATTACHMENT C

ATTACHMENT B

Jack H. Stowre, Jr.
Director, Environmental Practice

- Tarrant Regional Water District
- United Irrigation District
- Weatherford, Texas
- Wray, Colorado
- Wylie, Texas

Other services provided by Mr. Stowre are further detailed below:

- Assisted Dallas Water Utilities and Tarrant Regional Water District in examining five financing alternatives, estimating state funding, and establishing the cost allocation methodology associated with the \$1.9 billion Lake Palestine Pipeline Project. Mr. Stowre also performed a comprehensive examination of the impact of energy costs on the proposed project alternatives, including developing a forecasting model of electricity costs through 2050.
- Developed an impact fee based on the model used by the Cities of North Richland Hills, Grapevine, Lewisville and Wylie to calculate the maximum allowable fee under S.B. 336. Also responsible for the development and implementation of administrative procedures and systems modifications enabling these Cities to comply with the monitoring requirements of S.B. 336.
- Performed an economic feasibility study for the City of Arlington for alternative wastewater diversion. The study provided a twenty year projected population growth rate, defined service areas, discharge characteristics, and related capital improvement requirements for each alternative.
- Participated in the acquisition of the Street Lighting System from Texas Electric Service Company by the City of Arlington which was consummated after a six month study and purchase negotiation. Purchase pay back was achieved within three years with annual operating cost reduction currently accruing at the annual rate of approximately \$700,000 to the City.
- Assisted Dallas Water Utilities, North Texas Municipal Water District, Spring River Authority of Texas, and Tarrant Regional Water District in assessing the feasibility and economic impact of the Toledo Bend Water Supply Project, which proposes to supply at least 600,000 acre-feet of raw water to the DFW Metroplex.

Mr. Stowre has had extensive consulting experience within the utility industry. His experience encompasses not only utility ratemaking under federal, state and municipal jurisdictions, but also includes significant experience in the following areas:

- Organization and operations for investor owned utility and municipal utilities.
- Financial projections and operating system requirements.
- Contract Negotiations.
- Review of Franchise Agreements, etc.
- Economic Feasibility Studies.

Specifically, Mr. Stowre has conducted and/or supervised analyses of rate base, operating income, rate of return, revenue requirements, fully allocated cost of service and rate design. The results of these studies were generally summarized into expert testimony and presented in rate case proceedings at either the state and/or local jurisdictions. The various jurisdictions Mr. Stowre has performed consulting services in are as follows:

- Arizona Corporation Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Kentucky Public Service Commission
- Mississippi Public Service Commission
- New Mexico Public Service Commission
- Oklahoma Corporation Commission
- Public Utility Commission of Texas
- Railroad Commission of Texas
- Texas Commission on Environmental Quality

ATTACHMENT C

ATTACHMENT B

Jack E. Stowe, Jr.
Director, Environmental Practice

• Utah Public Service Commission

• Wyoming Public Service Commission

Samples of the specific utility companies analyzed by Mr. Stowe are presented below. Many of these Mr. Stowe has investigated on numerous engagements during his career.

- AT&T
- AT&T
- Arkansas-Oklahoma Gas Corporation
- Arizona Public Service
- Central Power & Light (now AEP)
- Canadian River Municipal Water Utility
- Dallas Water Utilities
- Denton County Electric Cooperative (now CoServ)
- Detroit Edison
- Gulf States Utilities (now Entergy)
- Houston Lighting & Power (now Reliant)
- Indianapolis Power & Light
- Kentucky Power & Light
- Lake Dallas Telephone Company
- Lower Colorado River Authority
- Lone Star Gas Company (now AT&M)
- Magnolia Gas
- Metro Link Telecom, Inc.
- Mississippi Power & Light
- Mojave Electric Cooperative
- Mountain States Bell
- Southern Union Gas Company
- Southwest Electric Service Company (now TXU)
- Southwestern Bell Telephone
- Southwestern Public Service Company
- San Miguel Electric Cooperative
- Texas Electric Service Company (now TXU)
- Texas-New Mexico Power Company
- Texas Power & Light (now TXU)
- Tucson Gas & Electric
- Utah Power & Light
- United Telecommunications
- West Texas Utilities (now AEP)

Publications and Presentations

"Street Lighting Cost Reduction, a Game Plan for the 80's", Texas Institute of Traffic Engineers

"The Impact of Senate Bill No. 336"

- Research Group of the Texas Association of City Managers
- Central Region of the Texas Association of City Managers
- Gulf Coast Region of the Texas Government Financial Officers Association

Government Finance Officers Association of Texas Newsletter

- "A New Challenge for Municipal Gas Regulation"
- "The Case of the Vanishing Gross Receipts Tax"
- "Impact of Senate Bill 336" (Increase of Developer Impact Fees)
- "Street Lighting Cost Reduction Through Municipal Ownership"

Publication of Water Conservation Training, Texas Water Conservation Association, 1990

"Alternative Funding for Capital Improvements", Water Environment Association of Texas, 1994

"Construction Management and Financing Alternatives", Water Environment Association of Texas, 1994

Thoughtful Decision Making for Uncertain Times

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ATTACHMENT C

ATTACHMENT B

Jack E. Stowe, Jr.
Director, Environmental Practice

"Management Assets", Texas Water Conservation Association - Technical Seminar, 1994

"The Hidden Costs of Rate Making", American Association of Water Board Directors, 1995

"Self-Insured Retention Cost Accounting", Texas Natural Resource Conservation Commission, 1995

"Self-Insured Retention 101",

- Texas Water Conservation Association, 1998

- Texas Rural Water Association, 1999

"The Benefits of Electric Aggregation", Texas Water Conservation Association, 1999

"Water Retail Wholesale Interlinking", Texas Water Conservation Association - Technical Seminar, 2000

"Electric Deregulation in Texas", Texas Chapter of the Public Works Association, 2000

"Innovative Financing for Water and Wastewater Utilities", Texas Water Law Seminar, February 2002

"Encroachment Issues - Some Service Areas Worth How Much?", Texas Rural Water Association Annual Conference, March 2003

"Allocating the Costs of Population Growth in Wholesale Water Contracts", Texas Rural Water Association and Texas Water Conservation Association Water Law Seminar, January 2007

ATTACHMENT D



From the Office of Robert T. Herrera, City Manager
City of Cibolo 200 S. Main / PO BOX 826 Cibolo, Texas 78108 (210) 658-9900 www.cibolotx.gov

August 18, 2015

Green Valley Special Utility District
Attn: Pat Allen, General Manager
529 South Center Street
Marion, TX 78124

VIA HAND DELIVERY & USPS REGULAR MAIL

Re: Notice of Intent by the City of Cibolo to Provide Sewer Service in Corporate Limits

Dear Mr. Allen,

The City of Cibolo ("City") currently provides retail sewer service to customers located within certain portions of the City's corporate limits and extra-territorial jurisdiction ("ETJ"). However, other portions of the City's corporate limits overlap with Green Valley Special Utility District's ("Green Valley SUD") sewer certificate of convenience and necessity ("CCN") No. 20973.

In accordance with Texas Water Code § 13.255, the City hereby provides Green Valley SUD with notice that the City intends to provide retail sewer service to the areas within its corporate limits that overlap with Green Valley SUD's sewer CCN service area ("Transition Areas"), which are more specifically depicted in light blue on the attached map, attached hereto as Attachment A. The yellow areas on Attachment A are additional tracts that are currently subject to annexation agreements with the City, and the City anticipates annexing these tracts in the near future. For your convenience, attached hereto as Attachment B, are field notes for the entire light blue and yellow shaded areas, which are bounded on the south by U.S. Interstate Highway 10; on the west by Cibolo Creek, on the north by Lower Seguin Road, Haackerville Road, and Arizpe Road; and on the east by the Court Decreed ETJ Boundary of the City and the City of Marion, as well as the boundaries of GCAD Parcel Nos. 70979 and 71064.

We look forward to discussing the terms of an agreement between the City and Green Valley SUD, which will detail the arrangement between the parties for the City's provision of retail sewer service to these Transition Areas. If you have any questions, please contact me at (210) 658-9900.

Sincerely,

A handwritten signature in cursive script that reads 'Robert T. Herrera'.

Robert T. Herrera
City Manager

CC: Mayor Jackson | City Council | Peggy Crites, City Secretary | Rudy Klein, Director of Planning & Engineering

Enclosure(s)



ATTACHMENT D

ATTACHMENT B

COPY

Field Notes for a 5,882 Acre area of land to be Certified into the City of Cibolo's Certificate of Convenience and Necessity (CCN) area; said 5,882 Acres of land is in the existing City Limits or ETJ of the City of Cibolo, Guadalupe County, Texas.

Beginning at the intersection of Haekerville Road and Arizpe Road, said intersection being 7,515 feet south of the intersection of Haekerville Road and Farm to Market Road 78, said point of beginning also being in the Extra Territorial Jurisdictional (ETJ) area for the City of Cibolo, Guadalupe County, Texas.

Thence in an easterly direction with Arizpe Road, approximately 2,304 feet to the intersection and crossing of Town Creek, an intermittent tributary to the Cibolo Creek;

Thence in an easterly direction with the meanders of Town Creek, approximately 6,860 feet to the intersection of Pfannstiel Lane and the Court Decreed ETJ Boundary between the City of Cibolo and the City of Marion;

Thence in a southerly direction with the Court Decreed ETJ Boundary between the City of Cibolo and the City of Marion, approximately 25,565 feet to the northeast corner of a 124.75 acre tract of land identified by the Guadalupe County Appraisal District as Parcel # 70979;

Thence in a southerly direction with the east line of said 124.75 acre tract, approximately 1,630 feet to the southeast corner of said tract, also being the north east corner of a 7.658 acres tract of land identified by the Guadalupe County Appraisal District as Parcel # 71064,

Thence in a southerly direction with the east line of said 7.658 acre tract, approximately 330 feet to the southeast corner of said tract, also being on the north right-of-way line of Interstate Highway 10;

Thence in a southwesterly direction with the north right-of-way line of Interstate Highway 10, approximately 20,900 feet to the intersection and crossing of the Cibolo Creek, the centerline of said Cibolo Creek also being the western limit of the ETJ of the City of Cibolo;

Thence in a northerly direction with the meanders of Cibolo Creek, approximately 21,350 feet to the intersection and crossing of Lower Seguin Road;

Thence in an easterly direction with Lower Seguin Road, approximately 7,005 feet to the intersection with Haekerville Road;

Thence in a northerly direction with Haekerville Road, approximately 4,603 feet to the point of beginning and containing 5,882 acres more or less.