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DOCKET NO. 45702

RECEIVED

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

PUBLIC UTILITY COMMISSION

2016 JUN 23 PM 12:35

PUBLIC UTILITY COMMISSION
OF TEXAS FILING CLERK

**GREEN VALLEY SPECIAL UTILITY DISTRICT'S REPLY TO CITY OF CIBOLO'S
JUNE 22, 2016 FILING**

COMES NOW, Green Valley Special Utility District ("GVSUD" or the "District") and, subject to its Plea to the Jurisdiction and Motion to Dismiss, files this Reply to City of Cibolo's June 22, 2016 Filing in this docket titled, "City of Cibolo's Surreply to Green Valley Special Utility District's Plea to the Jurisdiction and Motion to Dismiss/Supplemental Reply to Brief and Reply Brief of Green Valley Special Utility District on Threshold Legal/Policy Issues" (the "Cibolo Filing"). In support, GVSUD would show as follows.

The City of Cibolo's ("City" or "Cibolo") allegation in the Cibolo Filing that GVSUD's Plea to the Jurisdiction and Motion to Dismiss ("Plea"), or any other pleading filed in this case, was brought "in bad faith, for the purpose of harassment, or to cause unnecessary delay or needless increase in the cost of the proceeding" solely based on the existence of and statements in USDA's May 3, 2016 letter ("USDA Letter") attached to the Cibolo Filing is, itself, harassing, brought in bad faith, and has compelled this reply. The USDA Letter is not dispositive in this case as Cibolo contends. Cibolo's position that the type of loan or security interest is dispositive was asserted for the first time in response to the District's Plea, but that is not what controlling authority dictates in this jurisdiction. Regardless, Cibolo's contention the

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by revenues from Green Valley SUD's water system.”⁶ The Complaint was filed an exhibit to its Brief on Threshold Legal/Policy Issues.⁷ Thus, to the extent it is pertinent to the §1926(b) protection issue, Cibolo had security interest information for at least several weeks prior to Monday, June 20, 2016, despite its claims to the contrary. Moreover, the District’s loan documents have been publicly available *since 2003*.

The District has no objection to Cibolo presenting the USDA Letter for Commission consideration for whatever it is worth in this discussion, as it adds nothing new. The District has consistently taken the position—the correct position—that the extent of the existing federal security interest *is irrelevant*. Cibolo’s accusations against the District, therefore, are unfounded and inappropriate. Moreover, there has been no concealment, as Cibolo knows: (1) the District attached the complete version of the loan document excerpted within the USDA letter and the Complaint well before the District’s RFI responses were due, once Cibolo raised the loan security interest as an issue; and (2) the USDA letter itself was timely produced in response to the City’s RFIs served on the District. Yet, Cibolo falsely claims surprise, accuses the District of not being forthcoming with documents, requests denial of the Plea, requests unspecified sanctions against the District under P.U.C. PROC. R. 22.161, and, finally, requests the Commission cancel consideration of this item at its June 29, 2016 open meeting.⁸ In short, if anything, it is the Cibolo Filing that is brought “in bad faith, for the purpose of harassment, or for any other improper purpose, such as to cause unnecessary delay or needless increase in the cost

⁶ See Item No. 30 at Exhibit A, ¶ 6.

⁷ *Id.*

⁸ See Item No. 45 at 1, 4-5; Cibolo actually states the entire June 29, 2016 open meeting should be canceled, but the District does not think that is what is intended by the request. Either way, the request should be denied.

CERTIFICATE OF SERVICE

I hereby CERTIFY that on June 23, 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:

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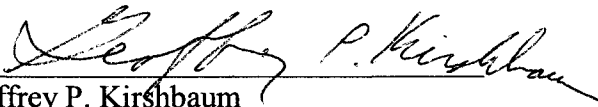
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