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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 §

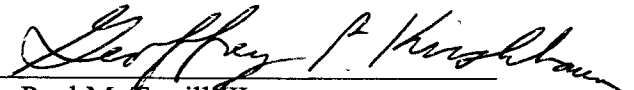
BEFORE THE PUBLIC UTILITY
PUBLIC UTILITY COMMISSION
FILING CLERK
COMMISSION OF TEXAS

GREEN VALLEY SUD'S RESPONSE TO CIBOLO'S THIRD
REQUESTS 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") provides its response to City of Cibolo's Third Requests for Information to Green Valley SUD. Green Valley SUD stipulates that the following response 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
TERRILL & WALDROP
810 W. 10th Street
Austin, Texas 78701
(512) 474-9100
(512) 474-9888 (fax)

ATTORNEYS FOR GREEN VALLEY SPECIAL UTILITY
DISTRICT

CERTIFICATE OF SERVICE

I hereby CERTIFY that on October 17, 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



Geoffrey P. Kirshbaum

RESPONSE TO REQUEST FOR INFORMATION

Cibolo RFI 3-1 The correct names of the parties to the lawsuit.

RESPONSE: (1) Green Valley Special Utility District (“GVSUD” or “District”);
 (2) City of Cibolo, Texas (“City” or “Cibolo”); and
 (3) Public Utility Commission of Texas Staff

Cibolo RFI 3-2 The name, address, and telephone number of any potential parties.

RESPONSE: Not applicable.

Cibolo RFI 3-3 The legal theories and, in general, the factual bases of the responding party’s claims or defenses (the responding party need not marshal all evidence that may be offered at trial).

RESPONSE: City of Cibolo, Texas, has filed a single certification application under Texas Water Code (TWC) §13.255 and 16 Texas Administrative Code (TAC) §24.120 which requests decertification of certain GVSUD sewer CCN No. 20973 service areas located within the District’s boundaries and certification of those areas to Cibolo. Cibolo alleges it has annexed these areas. In such situations, TWC §13.255(c) and 16 TAC §24.120(c) require that the decertified retail public utility receive adequate and just compensation from the applicant retail public utility for property being rendered useless or valueless by the decertification. All property, whether tangible, intangible, real, or personal must be considered as part of this process. TWC §13.255(g) and 16 TAC §24.120(g), in addition to the definitions of “facilities” and “service” within TWC Chapter 13 and 16 TAC §24.3, serve as guidance for the types of property to consider and the value to ascribe them. GVSUD also contends that a proper appraisal by a licensed Texas appraiser is required for this analysis under the Texas Water Code and Commission rules.

Here, the property that will be rendered useless or valueless to GVSUD if Cibolo’s application is approved was identified by a licensed expert appraiser in the GVSUD appraisal report filed on June 28, 2016. Information in that appraisal was obtained from GVSUD’s General Manager and District Engineer. GVSUD’s appraisal report was limited to property that will be rendered useless or valueless to GVSUD. In this initial phase of the hearing, per instructions received from the Commission and presiding administrative law judge, GVSUD will be limiting its evidence to the Commission’s referred issues rather than attempting to prove up valuation even though such information is contained in its filed appraisal report. The bifurcated hearing process now underway was not developed by the Commission at the time GVSUD filed its appraisal report.

Cibolo filed a report purporting to be an appraisal that was not prepared by a licensed Texas appraiser. Cibolo's report improperly concludes that GVSUD has no property that will be rendered useless or valueless to GVSUD as a result of its requested decertification.

GVSUD does not contend Cibolo has requested that any property should be transferred to it under TWC §13.255(c).

Cibolo RFI 3-4 The amount and any method of calculating economic damages.

RESPONSE: Please see GVSUD's June 28, 2016 appraisal report filed in this docket. This information may be supplemented in the second phase of this hearing subject to direction from the Commission.

Cibolo RFI 3-5 The name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case.

RESPONSE:

Pat Allen, General Manager
Dennis W. Dreyer, President
Mary Jane Heusinger, Vice President
Jackie R. Nolte, Secretary/Treasurer
Peter C. Olsen, Board Member
Jill Bennett, Board Member
Christina Miller, Board Member
Donnovan Jackson, Board Member
Green Valley Special Utility District
c/o Terrill & Waldrop
810 West 10th Street
Austin, Texas 78701
(512) 474-9100

Mark Zeppa
Attorney for Green Valley Special Utility District
4833 Spicewood Springs Rd, Suite 202
Austin, Texas 78759
(512) 346-4011

Patrick A. Lackey, P.E.
Principal in Charge
Garry Montgomery, P.E., CFM
Project Manager
River City Engineering

1011 W. County Line Rd.
New Braunfels, Texas 78130
(830) 626-3588

Joshua M. Korman
Principal
John S. Kostohryz
Principal
KOR Group, Inc.
1401 Foch Street, Suite 150
Fort Worth, Texas 76107

Jack Stowe
NewGen Strategies & Solutions
3430 Executive Center Dr., Suite 163
Austin, Texas 78731
(512) 479-7900

Robert T. Herrera
City Manager - Cibolo
200 S. Main St.
P.O. Box 826
Cibolo, Texas 78108
(210) 658-9900, ext. 3103

Cibolo RFI 3-6

For any testifying expert:

- (1) the expert's name, address, and telephone number;
- (2) the subject matter on which the expert will testify;
- (3) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information.
- (4) if the expert is retained by, employed by, or otherwise subject to the control of the responding party:
 - (A) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and
 - (B) the expert's current resume and bibliography.

RESPONSE:

Pat Allen Mr. Allen will testify regarding District operations and General Manager, Green background; District wastewater project planning, design, Valley Special Utility investments, and property interests relevant to referred issues.

District
c/o Terrill & Waldrop
810 W. 10th Street
Austin, Texas 78701
(512) 474-9100

Generally, each testifying expert witness has concluded: (1) that the property identified in GVSUD's June 28, 2016 appraisal report properly identifies the property that will be rendered useless or valueless to GVSUD; (2) GVSUD's June 28, 2016 appraisal report is limited to valuing such property; and (3) Cibolo's June 28, 2016 report improperly concludes that no property will be rendered useless or valueless to GVSUD as a result of Cibolo's requested decertification.

Mr. Allen will be preparing prefiled direct testimony to be filed on November 2, 2016 in accordance with the procedural schedule for this docket that sets forth his opinions and the basis for them in greater detail. Further, please see all documents and responses provided to Cibolo in discovery.

GVSUD may supplement with additional exhibits filed on November 2, 2016 in accordance with procedural schedule for this docket.

Garry Montgomery, P.E.,
CFM
Project Manager
River City Engineering
c/o Terrill & Waldrop
810 W. 10th Street
Austin, Texas 78701
(512) 474-9100

Mr. Montgomery will testify regarding District wastewater project planning, design, investments, and property interests relevant to referred issues.

Generally, each testifying expert witness has concluded: (1) that the property identified in GVSUD's June 28, 2016 appraisal report properly identifies the property that will be rendered useless or valueless to GVSUD; (2) GVSUD's June 28, 2016 appraisal report is limited to valuing such property; and (3) Cibolo's June 28, 2016 report improperly concludes that no property will be rendered useless or valueless to GVSUD as a result of Cibolo's requested decertification.

Mr. Montgomery will be preparing prefiled direct testimony to be filed on November 2, 2016 in accordance with the procedural schedule for this docket that sets forth his opinions and the basis for them in greater detail. Further, please see all documents and responses provided to Cibolo in discovery.

GVSUD may supplement with additional exhibits filed on November 2, 2016 in accordance with procedural schedule for this docket.

Josh Korman
Principal
KOR Group, Inc.
c/o Terrill & Waldrop
810 W. 10th Street

Mr. Korman will be testifying regarding District property interests that will be rendered useless or valueless by Cibolo's requested decertification; GVSUD's June 28, 2016 Appraisal Report.

Generally, each testifying expert witness has concluded: (1) that

Austin, Texas 78701
(512) 474-9100

the property identified in GVSUD's June 28, 2016 appraisal report properly identifies the property that will be rendered useless or valueless to GVSUD; (2) GVSUD's June 28, 2016 appraisal report is limited to valuing such property; and (3) Cibolo's June 28, 2016 report improperly concludes that no property will be rendered useless or valueless to GVSUD as a result of Cibolo's requested decertification.

Mr. Korman will be preparing prefiled direct testimony to be filed on November 2, 2016 in accordance with the procedural schedule for this docket that sets forth his opinions and the basis for them in greater detail. Further, please see all documents and responses provided to Cibolo in discovery. *See also*, USPAP Standards 1-10 attached hereto.

GVSUD may supplement with additional exhibits filed on November 2, 2016 in accordance with procedural schedule for this docket.

Stephen H. Blackhurst, P.E.
c/o Terrill & Waldrop
810 West 10th Street
Austin, Texas 78701
(512) 474-9100

Mr. Blackhurst will be testifying regarding legislative history and regulatory experience working with Texas Water Code §13.255 and implementing rules.

Generally, each testifying expert witness has concluded: (1) that the property identified in GVSUD's June 28, 2016 appraisal report properly identifies the property that will be rendered useless or valueless to GVSUD; (2) GVSUD's June 28, 2016 appraisal report is limited to valuing such property; and (3) Cibolo's June 28, 2016 report improperly concludes that no property will be rendered useless or valueless to GVSUD as a result of Cibolo's requested decertification.

Mr. Blackhurst will be preparing prefiled direct testimony to be filed on November 2, 2016 in accordance with the procedural schedule for this docket that sets forth his opinions and the basis for them in greater detail. Further, please see all documents and responses provided to Cibolo in discovery.

GVSUD may supplement with additional exhibits filed on November 2, 2016 in accordance with procedural schedule for this docket.