

Control Number: 45873



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2016 SEP 16 AM 9:2

APPLICATION OF RIVIERA WATER §  
SYSTEM INC. AND RIVIERA WATER §  
CONTROL AND IMPROVEMENT §  
DISTRICT FOR SALE, TRANSFER, OR §  
MERGER OF FACILITIES AND §  
CERTIFICATE RIGHTS IN KLEBERG §  
COUNTY §

PUBLIC UTILITY COMMISSION

OF TEXAS

PUBLIC UTILITY COMMISSION  
FILING CLERK

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO RIVIERA WATER SYSTEM INC. AND RIVIERA WATER CONTROL  
AND IMPROVEMENT DISTRICT  
QUESTION NOS. STAFF 2-1 THROUGH STAFF 2-3**

Pursuant to Tex. Admin Code § 22.144 (TAC), the Staff of the Public Utility Commission of Texas (Staff) requests that the Riviera Water System Inc. and Riviera Water Control and Improvement District (jointly "Applicants") by and through his attorney of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide an original and three copies of your answers to the questions to the Filing Clerk, Public Utility Commission of Texas, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78712-3326.

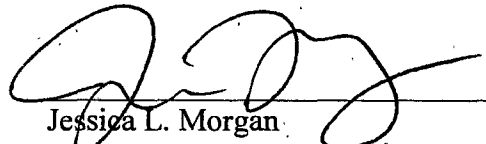
Dated: September 16, 2016

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney

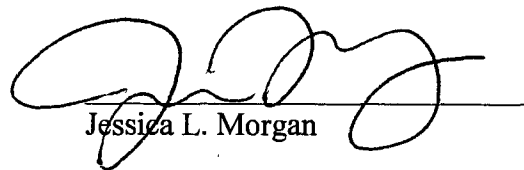
A handwritten signature in black ink, appearing to be 'Jessica L. Morgan', written over a horizontal line.

Jessica L. Morgan  
State Bar No. 24079023  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 7872-3326  
(512) 937-7229  
(512) 937-7268 (facsimile)

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on September 16, 2016, in accordance with 16 TAC § 22.74.

A handwritten signature in black ink, appearing to be 'Jessica L. Morgan', written over a horizontal line.

Jessica L. Morgan

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**DEFINITIONS**

- A. "Applicants," "the Company," or "You" refers to Riviera Water System Inc. and Riviera Water Control and Improvement District and any person acting or purporting to act on his behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.
- B. "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do not exist and these documents will be provided.

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**INSTRUCTIONS**

- 1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.
- 2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.
- 3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.
- 4) Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.
- 5) The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.
- 6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.
- 7) Pursuant to 16 TAC § 22.144(g)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.
- 8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

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- Staff 2-1** Please provide the following information for Riviera Water Control and Improvement District as requested in Part D of the Application:
- a) Historical Balance Sheets – Current Year and 5 years prior
  - b) Historical Income Statements – Current Year and 5 years prior
  - c) Historical Expense Detail – Current Year and 5 years prior
  - d) Projected Balance Sheets – 5 year
  - e) Projected Income Statements – 5 year
  - f) Projected Expense Detail – 5 year
  - g) Projected Sources and Uses of Cash Statements – 5 year
- Staff 2-2** Please refer to Staff 2-1. If items Staff 1a – 1c are not available, please provide a copy of the company's Comprehensive Annual Financial Report (CAFR) for the current and prior 5 years. Please note, that items 1d – 1g should be provided in either scenario.
- Staff 2-3** Please provide a copy of the company's current investment grade credit rating from Standard & Poor's Financial Services LLC, Moody's Investors Service, or Fitch Ratings Inc. if applicable.