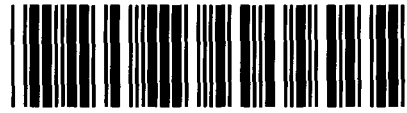


Control Number: 47998



Item Number: 24

Addendum StartPage: 0

PUC DOCKET NO. 47998
SOAH DOCKET NO. 473-18-2879.WS

RATEPAYERS' APPEAL OF THE
DECISION BY GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT NO.12
TO CHANGE RATES

§
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§
§

BEFORE THE STATE OFFICE

2018 JUL -9 AM 9:30
PUBLIC UTILITY COMMISSION
FILING CLERK

OF

ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

LYDIA COOK

ON BEHALF OF

GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12

AFFIDAVIT OF LYDIA COOK

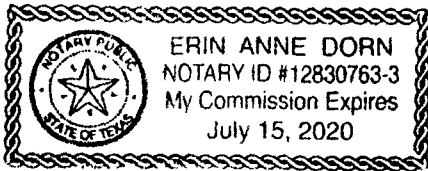
STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

I, Lydia Cook, affirm that as the professional accountant and bookkeeper for Galveston County Municipal Utility District No. 12, I presented a financial analysis to the Board of Directors regarding necessary financing for maintenance projects for District facilities. This analysis included options for amending the District's water and sewer rates. The evaluation and options I presented at the November 20, 2017, meeting were based on anticipated financial needs and the comparable rates of surrounding areas. The Board made a determination to amend its rates at that meeting based in part on the evaluation and documents presented, copies of which are attached hereto.

Lydia Anne Cook
(Signature)

SWORN TO AND SUBSCRIBED BEFORE ME this 5th day of July, 2018,
by Lydia Cook, a person known unto me.

(SEAL)



Erin A. Dorn
Notary Public, State of Texas

GALVESTON COUNTY MUD # 12
 PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
 31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000)					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	697,085	39,085	(58,915)	(216,915)
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENT:	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	<u>2,280,000</u>					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING	10,000					
TOTAL REQUIREMENTS	<u>2,290,000</u>	-				
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$20/MONTH		285,000	342,000	342,000	342,000	342,000
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>697,085</u>	<u>39,085</u>	<u>(58,915)</u>	<u>(216,915)</u>	<u>\$ (54,915)</u> 1
PROPOSED RATE INCREASE PER MONTH		<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>
CASH RESERVES FURTHER DEPLETED BY THIS AMOUNT TO	\$ 445,085					1
10 MONTHS OF CASH RESERVES	1,000,000					
NET SHORTFALL OF CASH RESERVES AT THE END OF 5 YEARS	<u>(554,915)</u>					

GALVESTON COUNTY MUD # 12
 PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
 31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000) 2					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	768,335	195,835	183,335	110,835
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMEN	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	<u>2,280,000</u>					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING	10,000					
TOTAL REQUIREMENTS	<u>2,290,000</u>	-				
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$25/MONTH		356,250	427,500	427,500	427,500	427,500
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>768,335</u>	<u>195,835</u>	<u>183,335</u>	<u>110,835</u>	<u>358,335</u> 1
PROPOSED RATE INCREASE		<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 910MONTHS IS	<u>\$ 1,000,000</u> 1					500,000 2
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS					<u>358,335</u>	<u>858,335</u>

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GALVESTON COUNTY MUD # 12
PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
31-Oct-17


DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000)					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	811,085	289,885	328,685	307,485
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENTS	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	-					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	2,280,000					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING)	10,000				-	
TOTAL REQUIREMENTS	2,290,000	-			-	
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$28/MONTH		399,000	478,800	478,800	478,800	478,800
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>811,085</u>	<u>289,885</u>	<u>328,685</u>	<u>307,485</u>	<u>606,285</u> 1
PROPOSED RATE INCREASE		<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 28</u>
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 10 MONTHS IS	<u>\$ 1,000,000</u>	1				500,000
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS						<u>606,285</u> <u>1,106,285</u>

GALVESTON COUNTY MUD # 12
PROJECTION TO FUND CAPITAL PROJECTS FROM GENERAL FUND
31-Oct-17

DESCRIPTION	AMOUNT	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
CASH IN BANK - TFB	478,497					
TEXPOOL	698,238					
CERTIFICATE OF DEPOSIT - HOMETOWN BANK FOR CUSTOMER DEPOSITS	125,000					
TOTAL CASH	<u>1,301,735</u>					
LESS:						
CASH DESIGNATED FOR FUTURE OPERATIONS	(500,000) 2					
CASH OWED ON CUSTOMER DEPOSITS	(139,650)					
NET CASH AVAILABLE	<u>662,085</u>	662,085	839,585	352,585	425,585	438,585
2017 M & O TAXES	430,000					
LESS: AMOUNTS USED IN OPERATIONS & OTHER CAPITAL IMPROVEMENTS	(430,000)					
NET M & O TAXES AVAILABLE/YEAR	<u>-</u>					
CAPITAL OUTLAY PROJECT NEEDS:	1,600,000					
	680,000					
	<u>2,280,000</u>					
EXPENSES ASSOCIATED WITH RATE INCREASE (LEGAL, ACCOUNTING, & BILLING)	10,000					
TOTAL REQUIREMENTS	<u>2,290,000</u>	-				
CASH UTILIZED:						
ENGINEERING		(250,000)				
CONSTRUCTION WORK ON WWTP		-	(1,000,000)	(440,000)	(500,000)	(180,000)
CASH GENERATED FROM INCREASED WATER/SEWER RATE OF \$30/MONTH		427,500	513,000	513,000	513,000	513,000
ENDING CASH AVAILABLE TO NEXT FISCAL YEAR		<u>839,585</u>	<u>352,585</u>	<u>425,585</u>	<u>438,585</u>	<u>771,585</u> 1
PROPOSED RATE INCREASE		30	30	30	30	30
REPRESENTS CASH AVAILABLE TO REPLENISH CASH RESERVES TOWARDS 9 TO 12 MONTHS OPERATING RESERVES. 10 MONTHS IS	1,000,000 1					500,000 2
PROPOSED CASH RESERVE BALANCE AT THE END OF 5 YEARS					<u>771,585</u> 1	<u>1,271,585</u>
CASH RESERVE GOAL OF 12 MONTHS OF OPERATIONS					<u>1,200,000</u>	

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing Direct Testimony was sent by electronic mail, fax and/or certified mail to all parties named therein on this the 6th day of July, 2018.



Connie U. Wenske