



Control Number: 48054



Item Number: 10

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**DOCKET NO. 48054**

**APPLICATION OF CANYON FALLS §  
MUNICIPAL UTILITY DISTRICT §  
NO. 1 OF DENTON COUNTY FOR A §  
WATER CERTIFICATE OF §  
CONVENIENCE AND NECESSITY §  
IN DENTON COUNTY §**

**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO CANYON FALLS MUNICIPAL UTILITY DISTRICT NO. 1  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

Pursuant to 16 Texas Administrative Code (TAC) § 22.144, the Staff of the Public Utility Commission of Texas (Staff) requests that Canyon Falls Municipal Utility District No. 1 (Canyon Falls MUD) by and through its attorneys 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: April 4, 2018

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Karen S. Hubbard  
Managing Attorney



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(512) 936-7348  
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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 4, 2018 in accordance with 16 TAC § 22.74.



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Richard Nemer

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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO CANYON FALLS MUNICIPAL UTILITY DISTRICT NO. 1  
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-4**

**DEFINITIONS**

- A. "Canyon Falls MUD," "the Company," or "you" refers to Canyon Falls Municipal Utility District No. 1 and any person acting or purporting to act on their 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(h)(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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**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO CANYON FALLS MUNICIPAL UTILITY DISTRICT NO. 1  
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**Financial Information:**

- Staff 1-1** Referencing pages 9-10 in Canyon Falls MUD's application, filed on February 12, 2018 as Item No. 1 in Docket No. 48054 (Application), please provide annual financial statements for Canyon Falls MUD for fiscal year ending December 31, 2017 (or if unavailable, for fiscal year ending December 31, 2016) including:
- i. Auditor's opinion letter;
  - ii. Statement of net position or its equivalent; and
  - iii. Statement of revenues and expenditures.
- Staff 1-2** Referencing pages 9-10 in the Application, please provide water system costs including those relating to:
- i. Construction of the water system;
  - ii. Operation of the water system; and
  - iii. Maintenance of the water system.
- Staff 1-3** Referencing pages 9-10 in the Application, please provide documents substantiating the developer's full financial commitment for construction of the water system.
- Staff 1-4** Referencing pages 9-10 in the Application, please provide projections for the first five years of operation including the following documents:
- i. Profit and loss statements;
  - ii. Cash flow worksheets; and
  - iii. Balance sheets.
- NOTE: Income from rates should correlate to the projected growth in connections, shown on the projected profit and loss statement.