



Control Number: 49351



Item Number: 20

Addendum StartPage: 0

PUC DOCKET NO. 49351

**RATEPAYERS APPEAL OF THE
DECISION BY BEAR CREEK SPECIAL
UTILITY DISTRICT TO CHANGE
RATES**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**BEAR CREEK SPECIAL UTILITY DISTRICT'S
SECOND SUPPLEMENTAL RESPONSE TO COMMISSION STAFF'S
SECOND REQUEST FOR INFORMATION – STAFF 2-1**

COMES NOW, Bear Creek Special Utility District (“Bear Creek SUD”) and files this, its Second Supplemental Response to Commission Staff’s Second Request for Information – Staff 2-1. Relevant discovery procedures in the Texas Administrative Code place a party under a continuing duty to supplement its discovery response if that party acquires information that renders a response, though correct or complete when made, subsequently incorrect or incomplete. *See* 16 Tex. Admin. Code § 22.144(i) (2019).

Respectfully submitted,

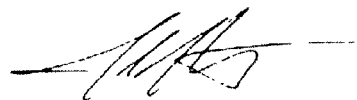


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ATTORNEY FOR BEAR CREEK SPECIAL
UTILITY DISTRICT

CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 7th day of June, 2019.



John J. Carlton



DOCKET NO. 49351

**BEAR CREEK SPECIAL UTILITY DISTRICT'S SUPPLEMENTAL RESPONSES TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION STAFF 2-1**

STAFF 2-1: Provide any and all rate studies, including methodologies, best practice references, and calculations, and assumptions used to support the rate changes subject to this appeal. The studies should include all calculations for costs Bear Creek SUD customers receiving water and/or sewer service.

RESPONSE: Bear Creek SUD requested financial assistance through the Greater Texoma Utility Authority for construction of improvements to the District's water system, including new pump station and ground storage facilities, and new water distribution lines. The costs associated with the construction projects resulted in issuance of bonds through the Texas Water Development Board in the amount of \$7,490,000. In the attached pro forma, rates necessary to service the debt for this bond issue were calculated based on the current number of customers (2,301) in the District. Utilizing current revenues and operations and maintenance expenses from the most current audit, the rates necessary to service the debt for the new bond issue were calculated by subtracting operations and maintenance expenses, current debt on the system, required reserve and administrative payments from revenue, thereby determining the amount necessary to repay the debt. The summary can be seen in the attached pro forma.

It is worth noting that the pro forma does not take into account future increases in wholesale water rates (expenditure for Bear Creek SUD) from North Texas Municipal Water District ("NTMWD"). NTMWD rates have increased from \$1.19 per 1,000 to \$2.97 per 1,000 from 2009 to 2019. With the new \$1.6 billion-dollar reservoir, pipelines and treatment plant projects going on, this wholesale rate is expected to continue to rise. Attached you will find the NTMWD's historical water rates along with a graph depicting their projections.

Responsive documents will be produced.

SUPPLEMENTAL RESPONSE:

The pro forma that was produced as BCSUD000017 to BCSUD000020 was not available at the time the rates were set and was created at the time bonds were sold.

Supplemental responsive documents will be produced, including the pro forma that was considered by the Board when adopting Ordinance No. 2018-006, and identified as BCSUD000465 to BCSUD000468.

SECOND SUPPLEMENTAL RESPONSE:

The debt service schedule produced as BCSUD000469 was incomplete. The responsive document will be produced in its entirety.

Prepared by: Drew Satterwhite

Sponsored by: Drew Satterwhite

**SUPPLEMENTAL PRODUCTION
RESPONSIVE TO STAFF 2-1**

Preliminary

Greater Texoma Utility Authority

(Bear Creek Special Utility District Project)

\$7,490,000 Contract Revenue Bonds, Series 2019

DWSRF - 30 Year Scenario

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/15/2019	-	-	-	-	-
08/15/2019	-	-	94,560.25	94,560.25	-
12/31/2019	-	-	-	-	94,560.25
02/15/2020	-	-	94,560.25	94,560.25	-
08/15/2020	180,000.00	1.110%	94,560.25	274,560.25	-
12/31/2020	-	-	-	-	369,120.50
02/15/2021	-	-	93,561.25	93,561.25	-
08/15/2021	180,000.00	1.340%	93,561.25	273,561.25	-
12/31/2021	-	-	-	-	367,122.50
02/15/2022	-	-	92,355.25	92,355.25	-
08/15/2022	185,000.00	1.530%	92,355.25	277,355.25	-
12/31/2022	-	-	-	-	369,710.50
02/15/2023	-	-	90,940.00	90,940.00	-
08/15/2023	185,000.00	1.680%	90,940.00	275,940.00	-
12/31/2023	-	-	-	-	366,880.00
02/15/2024	-	-	89,386.00	89,386.00	-
08/15/2024	190,000.00	1.820%	89,386.00	279,386.00	-
12/31/2024	-	-	-	-	368,772.00
02/15/2025	-	-	87,657.00	87,657.00	-
08/15/2025	190,000.00	1.990%	87,657.00	277,657.00	-
12/31/2025	-	-	-	-	365,314.00
02/15/2026	-	-	85,766.50	85,766.50	-
08/15/2026	195,000.00	2.120%	85,766.50	280,766.50	-
12/31/2026	-	-	-	-	366,533.00
02/15/2027	-	-	83,699.50	83,699.50	-
08/15/2027	200,000.00	2.260%	83,699.50	283,699.50	-
12/31/2027	-	-	-	-	367,399.00
02/15/2028	-	-	81,439.50	81,439.50	-
08/15/2028	205,000.00	2.340%	81,439.50	286,439.50	-
12/31/2028	-	-	-	-	367,879.00
02/15/2029	-	-	79,041.00	79,041.00	-
08/15/2029	210,000.00	2.410%	79,041.00	289,041.00	-
12/31/2029	-	-	-	-	368,082.00
02/15/2030	-	-	76,510.50	76,510.50	-
08/15/2030	215,000.00	2.460%	76,510.50	291,510.50	-
12/31/2030	-	-	-	-	368,021.00
02/15/2031	-	-	73,866.00	73,866.00	-
08/15/2031	220,000.00	2.510%	73,866.00	293,866.00	-
12/31/2031	-	-	-	-	367,732.00
02/15/2032	-	-	71,105.00	71,105.00	-

2019 Bear Creek SUD \$7.49 | SINGLE PURPOSE | 7/16/2018 | 2 22 PM

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Greater Texoma Utility Authority

(Bear Creek Special Utility District Project)

\$7,490,000 Contract Revenue Bonds, Series 2019

DWSRF - 30 Year Scenario

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/15/2032	225,000.00	2.550%	71,105.00	296,105.00	-
12/31/2032	-	-	-	-	367,210.00
02/15/2033	-	-	68,236.25	68,236.25	-
08/15/2033	230,000.00	2.590%	68,236.25	298,236.25	-
12/31/2033	-	-	-	-	366,472.50
02/15/2034	-	-	65,257.75	65,257.75	-
08/15/2034	235,000.00	2.630%	65,257.75	300,257.75	-
12/31/2034	-	-	-	-	365,515.50
02/15/2035	-	-	62,167.50	62,167.50	-
08/15/2035	245,000.00	2.670%	62,167.50	307,167.50	-
12/31/2035	-	-	-	-	369,335.00
02/15/2036	-	-	58,896.75	58,896.75	-
08/15/2036	250,000.00	2.700%	58,896.75	308,896.75	-
12/31/2036	-	-	-	-	367,793.50
02/15/2037	-	-	55,521.75	55,521.75	-
08/15/2037	255,000.00	2.720%	55,521.75	310,521.75	-
12/31/2037	-	-	-	-	366,043.50
02/15/2038	-	-	52,053.75	52,053.75	-
08/15/2038	265,000.00	2.750%	52,053.75	317,053.75	-
12/31/2038	-	-	-	-	369,107.50
02/15/2039	-	-	48,410.00	48,410.00	-
08/15/2039	270,000.00	2.770%	48,410.00	318,410.00	-
12/31/2039	-	-	-	-	366,820.00
02/15/2040	-	-	44,670.50	44,670.50	-
08/15/2040	280,000.00	2.780%	44,670.50	324,670.50	-
12/31/2040	-	-	-	-	369,341.00
02/15/2041	-	-	40,778.50	40,778.50	-
08/15/2041	285,000.00	2.790%	40,778.50	325,778.50	-
12/31/2041	-	-	-	-	366,557.00
02/15/2042	-	-	36,802.75	36,802.75	-
08/15/2042	295,000.00	2.800%	36,802.75	331,802.75	-
12/31/2042	-	-	-	-	368,605.50
02/15/2043	-	-	32,672.75	32,672.75	-
08/15/2043	300,000.00	2.810%	32,672.75	332,672.75	-
12/31/2043	-	-	-	-	365,345.50
02/15/2044	-	-	28,457.75	28,457.75	-
08/15/2044	310,000.00	2.820%	28,457.75	338,457.75	-
12/31/2044	-	-	-	-	366,915.50
02/15/2045	-	-	24,086.75	24,086.75	-
08/15/2045	320,000.00	2.830%	24,086.75	344,086.75	-

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Debt Service Schedule

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Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/31/2045	-	-	-	-	368,173.50
02/15/2046	-	-	19,558.75	19,558.75	-
08/15/2046	330,000.00	2.840%	19,558.75	349,558.75	-
12/31/2046	-	-	-	-	369,117.50
02/15/2047	-	-	14,872.75	14,872.75	-
08/15/2047	340,000.00	2.850%	14,872.75	354,872.75	-
12/31/2047	-	-	-	-	369,745.50
02/15/2048	-	-	10,027.75	10,027.75	-
08/15/2048	345,000.00	2.860%	10,027.75	355,027.75	-
12/31/2048	-	-	-	-	365,055.50
02/15/2049	-	-	5,094.25	5,094.25	-
08/15/2049	355,000.00	2.870%	5,094.25	360,094.25	-
12/31/2049	-	-	-	-	365,188.50
Total	\$7,490,000.00	-	\$3,629,468.25	\$11,119,468.25	-

Yield Statistics

Bond Year Dollars	\$133,740.00
Average Life	17.856 Years
Average Coupon	2.7138240%
Net Interest Cost (NIC)	2.8316990%
True Interest Cost (TIC)	2.8526351%
Bond Yield for Arbitrage Purposes	2.6950796%
All Inclusive Cost (AIC)	2.8526351%

IRS Form 8038

Net Interest Cost	2.7138240%
Weighted Average Maturity	17.856 Years

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\$7,490,000 Contract Revenue Bonds, Series 2019

DWSRF - 30 Year Scenario

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i
12/31/2019	-	-	94,560.25	94,560.25
12/31/2020	180,000.00	1.110%	189,120.50	369,120.50
12/31/2021	180,000.00	1.340%	187,122.50	367,122.50
12/31/2022	185,000.00	1.530%	184,710.50	369,710.50
12/31/2023	185,000.00	1.680%	181,880.00	366,880.00
12/31/2024	190,000.00	1.820%	178,772.00	368,772.00
12/31/2025	190,000.00	1.990%	175,314.00	365,314.00
12/31/2026	195,000.00	2.120%	171,533.00	366,533.00
12/31/2027	200,000.00	2.260%	167,399.00	367,399.00
12/31/2028	205,000.00	2.340%	162,879.00	367,879.00
12/31/2029	210,000.00	2.410%	158,082.00	368,082.00
12/31/2030	215,000.00	2.460%	153,021.00	368,021.00
12/31/2031	220,000.00	2.510%	147,732.00	367,732.00
12/31/2032	225,000.00	2.550%	142,210.00	367,210.00
12/31/2033	230,000.00	2.590%	136,472.50	366,472.50
12/31/2034	235,000.00	2.630%	130,515.50	365,515.50
12/31/2035	245,000.00	2.670%	124,335.00	369,335.00
12/31/2036	250,000.00	2.700%	117,793.50	367,793.50
12/31/2037	255,000.00	2.720%	111,043.50	366,043.50
12/31/2038	265,000.00	2.750%	104,107.50	369,107.50
12/31/2039	270,000.00	2.770%	96,820.00	366,820.00
12/31/2040	280,000.00	2.780%	89,341.00	369,341.00
12/31/2041	285,000.00	2.790%	81,557.00	366,557.00
12/31/2042	295,000.00	2.800%	73,605.50	368,605.50
12/31/2043	300,000.00	2.810%	65,345.50	365,345.50
12/31/2044	310,000.00	2.820%	56,915.50	366,915.50
12/31/2045	320,000.00	2.830%	48,173.50	368,173.50
12/31/2046	330,000.00	2.840%	39,117.50	369,117.50
12/31/2047	340,000.00	2.850%	29,745.50	369,745.50
12/31/2048	345,000.00	2.860%	20,055.50	365,055.50
12/31/2049	355,000.00	2.870%	10,188.50	365,188.50
Total	\$7,490,000.00	-	\$3,629,468.25	\$11,119,468.25

Yield Statistics

Bond Year Dollars	\$133,740.00
Average Life	17.856 Years
Average Coupon	2.7138240%
Net Interest Cost (NIC)	2.8316990%
True Interest Cost (TIC)	2.8526351%
Bond Yield for Arbitrage Purposes	2.6950796%
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IRS Form 8038

Net Interest Cost	2.7138240%
Weighted Average Maturity	17.856 Years

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