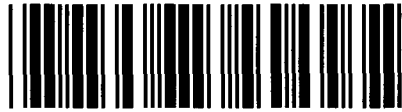


Control Number: 50041



Item Number: 9

Addendum StartPage: 0

PUC DOCKET NO. 50041

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**APPLICATION BY
AIRW 2017-7, L.P., A TEXAS
LIMITED PARTNERSHIP,
FOR A WATER CERTIFICATE
OF CONVENIENCE AND
NECESSITY**

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BEFORE THE PUBLIC UTILITY

COMMISSION OF TEXAS

**APPLICANT'S RESPONSES TO PUC STAFF'S
FIRST SET OF REQUESTS FOR INFORMATION**

TO THE STAFF OF THE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW AIRW 2017-7, L.P., a Texas limited partnership ("Petitioner"), and files Applicant's Responses To PUC Staff's First Set Of Requests For Information numbered RFI Staff 1-1 through RFI Staff 1-4, inclusive. Pursuant to PUC Rules 22.142 and 22.144 (16 TAC), applicant responds as follows:

A. General Comments:

1. These responses are being timely filed within the twenty (20) day period specified in PUC Rule 22.144(c)(1) (16 TAC), based upon discussions with PUC Counsel, Ms. Kourtnee Jinks, who confirmed that the 5-day response time specified in the Requests was a "typo," assuming the undersigned Counsel or the Applicant had been served with the Requests pursuant to PUC Rule 22.74(b) (16 TAC). To date, neither the undersigned Counsel nor Applicants' representative have been "served" with the Requests. Applicant discovered the Requests when the undersigned Counsel checked the Docket filings for various cases he is handling, including this Docket No. 50041, and discovered the filing.
2. These responses have been prepared, and are filed by the undersigned counsel, pursuant to guidance and responses provided by the Applicant, AIRW-2107-7

through (i) its in-house project manager and Executive Vice President, Mr. Matthew Hiles, and (ii) the Applicant's consultant, Mr. Kaveh Khorzad, P.G., President of Wet Rock Groundwater Services, LLC. Included herein are sworn "Verifications" from Messrs Hiles and Khorzad, identifying the RFIs for which they contributed to the responses. Accordingly, the responses below are provided with the understanding that pursuant to PUC Rule 22.144(c)(2)(F), the responses to all of the Staff's RFIs are made, and can be treated by all Parties to Docket No. 50041 as being "under oath."

3. The response to RFI Staff 1-4, specifically the documents provided as Appendix "A," is considered proprietary and confidential by the Applicant. The response contains copies of bank accounts utilized by the Applicant for operations associated with development of the two separate residential complexes. The accounts are used for the transfer of monies and payment of expenses related to the respective projects. These bank statements are not to be released to the public or published in any form or document without the prior written consent of the Applicant or at least the opportunity for the Applicant to seek a protective order requiring non-disclosure. The requested bank account statements related to the two developments are provided in a sealed envelope for review by PUC Staff, the ALJ and Commission on an as needed basis only. Neither the response, nor the documents in Appendix "A" are to be released to or reviewed by persons at or with the Commission who have no need to review the information. Additionally, they are not to be released to, or allowed to be reviewed, by any third-party or member of the public without Applicant's prior written consent.

B. Applicant's individual responses to the specific RFIs:

**DOCKET NO. 50041
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO AIRW 2017-7, L.P.
QUESTION NO. STAFF 1-1 THROUGH STAFF 1-4**

Staff 1-1 In a phone call with the Staff, representatives for AIRW 2017-7, L.P., and TCEQ Staff on November 20, 2019, the representatives for AIRW 2017-7, L.P. stated that the customers would not be charged separately for water. Please confirm this by filing an affidavit in Docket No. 50041 that the users of the water system will not be charged separately for water usage in the CCN area requested.

RESPONSE: To clarify any misunderstanding of comments by Applicant's consultant during the November 20, 2019, conference call, the Applicant notes the following:

- (i) the tenants of the multi-family residential units within the two complexes to be served with water measured by the master meters from the Applicant's water system will be "charged separately" for water as part of monthly costs of the "tenancy" in the respective residential complexes. They will not individually be customers of Applicant and, therefore, will not be individually metered or billed by the Applicant for water. The Applicant will bill the respective complex owner based upon water volumes measured at one of two "master meters." The complex owner will then move the individual tenants of the complex for a pro rata share of the master metered cost based upon the "allocated utility service" methodology contemplated by Subchapter I, Chapter 24 of the PUC's Rules. *See* 16 TAC §§ 24.275 – 24.287.
- (ii) Specifically, each individual "customer" as a tenant of the respective residential development will be receiving a charge for water service allocated to them as a part of their monthly costs of tenancy in the complex as authorized by Subchapter I, of Chapter 24 of the PUC's Rules. As an incidence of their tenancy, the individual tenants in the respective master-metered complexes will be charged for a prorated share of the water provided to the complex through the applicable master meter billed to the owner by the utility provider.

Staff 1-2 If Staff 1-1 is confirmed, provide an updated Appendix B indicating all balances and cost to the customer are \$0.00 for the requested area.

RESPONSE: Staff 1-1 was not confirmed. Accordingly, the RFI Staff 1-1 appears to be premised upon a misunderstanding of information provided, which is clarified in the Applicant's Response to Staff 1-1 above. Each tenant does receive a monthly allocated assessment for water on a prorated basis as part of their incidence of tenancy in the development using the Allocation Utility Service

Methodology. The respective allocation is based upon the Tenant's allocation uses the square footage of the residential unit to calculate their prorated share of the total volume of water measured at the master meter and billed to the owner of the complex by the utility provider as contemplated by the PUC's Rules for allocated utility charges set forth in Subchapter I of Chapter 24. *See* 16 TAC §§ 24.275 – 24.287.

Staff 1-3 If Staff 1-1 is confirmed, provide an explanation for the rate study and tariff submitted with the application.

RESPONSE: Staff 1-1 was not confirmed as presented, however, as explained, tenants in the respective multi-family residential complexes pay for water on the basis of the "allocated utility cost" concept authorized by Subchapter I, Chapter 24 of the PUC Rules. Accordingly, the rate study and tariff originally submitted with the application pursuant to the standard requirements of the CCN application form and instructions can be disregarded. Based upon subsequent discussions with Staff, and the fact that water costs are assessed to tenants of the respective developments on an allocation calculated on a prorated basis as an incidence of the resident's tenancy in the complex, Applicant now understands that neither the study nor the tariff were required to be included in the Application.

Staff 1-4 Provide bank statements filed under confidential status that indicate that cash balances exist per the balance sheets provided for the Luxe of Prosper and the Mansions of Prosper II.

RESPONSE: A copy of the requested bank statements covering the period of July 2019, with certain confidential information redacted, *i.e.*, the account numbers, is attached as Appendix "A" to these responses to Staff's RFI Requests. The statements reflect the presence of the funds described in the cash balances recorded on the balance sheets during the pertinent time periods.

Having provided the requested RFI responses in support of its Application timely for PUC Staff review, the Applicant requests the PUC Staff to request that the ALJ declare the Application to be administratively complete and, thereafter, that the Commission grant Applicant's Application for a Certificate of Convenience and Necessity.

Respectfully submitted,

MCCARTHY & MCCARTHY, LLP
1122 Colorado St., Suite 2399
Austin, Texas 78701

By: /s/ Edmond R. McCarthy, Jr.
Edmond R. McCarthy, Jr.
State Bar No. 13367200
(512) 904-2313 (Tel)
(512) 692-2826 (Fax)
ed@ermlawfirm.com
ATTORNEYS FOR PETITIONER,
AIRW 2017-7, L.P., a Texas limited partnership

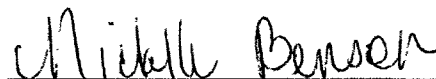
**VERIFICATION OF RESPONSES TO STAFF'S
REQUESTS FOR INFORMATION**

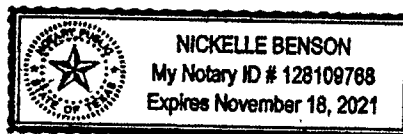
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Matthew Hiles, acting in his capacity as a partner and officer of the Applicant, AIRW-2017-7, L.P., a Texas limited partnership, who, after being by me duly sworn did upon his oath depose and say that (i) he provided information responsive to the PUC Staff's Requests for Information (Staff 1-1 through Staff 1-4, inclusive) in PUC Docket No. 50041, and (ii) he has read the foregoing Answers to Responses to Staff's Requests for Information (Staff 1-1 through Staff 1-4, inclusive), and that the same are true and correct to the best of his personal knowledge and belief.


Matthew Hiles, Executive Vice President

SIGNED before me on January 6, 2020, by Matthew Hiles acting in his capacity as a partner and officer of AIRW-2017-7, L.P., a Texas limited partnership.

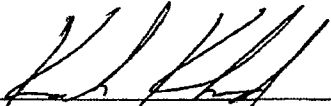

Notary Public
Notary Name: Nickelle Benson
Number: 128109768
Commission Expires: November 18, 2021



**VERIFICATION OF RESPONSES TO STAFF'S
REQUESTS FOR INFORMATION**


STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Kaveh Khorzad, acting in his capacity as President of Wet Rock Groundwater Services LLC, a Texas limited liability company, acting as consultant to Applicant in this Docket No. 50041, who, after being by me duly sworn did upon his oath depose and say that (i) he provided information responsive to the PUC Staff's Requests for Information (Staff 1-1 through Staff 1-3, inclusive) in PUC Docket No. 50041, and (ii) he has read the foregoing Answers to Responses to Staff's Requests for Information (Staff 1-1 through Staff 1-3, inclusive), and that the same are true and correct to the best of his personal knowledge and belief.

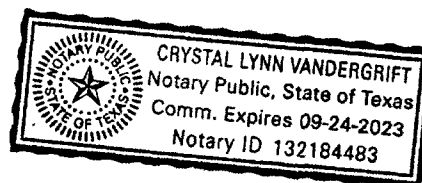


Kaveh Khorzad, President

SIGNED before me on January 2nd, ^{CV 20}~~2019~~, by Kaveh Khorzad, acting in his capacity as President of Wet Rock Groundwater Services LLC, a Texas limited liability company, consultant to Applicant AIRW 2017-7, L.P.



Notary Public
Notary Name: Crystal Vandergrift
Number: 132184483
Commission Expires: 09/24/23



CERTIFICATE OF SERVICE

I hereby certify by my signature below, that on this 9th day of January, 2020, a true and correct copy, and three copies, of the foregoing Applicant's Responses To PUC Staff's First Set Of Requests For Information numbered RFI Staff 1-1 through RFI Staff 1-4, inclusive was:

- (i) manually filed with the Clerk of Commission pursuant to the instructions included by Counsel for the PUC in the Requests for Information, and
- (ii) forwarded via e-mail and postage prepaid regular first-class mail to the Parties to Docket No. 50041, or their legal counsel, at the locations shown on the service list.

/s/ Edmond R. McCarthy, Jr.
Edmond R. McCarthy, Jr.

SERVICE LIST

Wet Rock Groundwater Resources LLC
Attn: Kaveh Khorzad
317 Ranch Road 620 South, Suite 203
Austin, TX 78734
Tel: (512) 773-3226
E-mail: k.khorzad@wetrockgs.com

Representing Petitioner - AIRW 2017-7, L.P.,
a Texas limited partnership

Ms. Kourtnee Jinks
Legal Division
Public Utility Commission of Texas
P.O. Box 13326
Austin, Texas 78711
Tel.: (512) 936-7265
Fax: (512) 936-7268
E-mail: kourtnee.jinks@puc.texas.gov

Representing Public Utility Commission of Texas --
Legal Division

PROPRIETARY – DO NOT DISCLOSE PRIVILEGED & CONFIDENTIAL

Appendix “A”

Sealed Envelope containing two bank statements covering the period of July 2019 related to the previously provided Balance Sheets dated 7/31/19 submitted by the Applicant in support of the Application related to the two separate developments that will be Master Metered Customers of Applicant.