



Filing Receipt

Received - 2022-05-23 11:45:40 AM
Control Number - 52435
ItemNumber - 29

PUC DOCKET NO. 52435

PETITION BY LEGACY EQUESTRIAN	§	BEFORE THE
CENTER LLC FOR EXPEDITED RELEASE	§	PUBLIC UTILITY COMMISSION
FROM WATER CCN NO 10150 HELD BY	§	OF TEXAS
MARILEE SPECIAL UTILITY DISTRICT IN	§	
COLLIN COUNTY	§	

**PETITIONER’S RESPONSE TO MARILEE SPECIAL UTILITY DISTRICT’S
APPRAISAL REPORT**

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

Legacy Equestrian Center LLC (the “Petitioner”) files its response to Marilee Special Utility District’s (“Marilee”) Appraisal Report and shows as follows:

1. On May 10, 2002, Marilee submitted its Appraisal Report, prepared by NewGen Strategies and Solutions, LLC (“NewGen”) as required by Order No. 2. In its report, Marilee claims the decertified area is valued at \$91,442.00.

2. Marilee further claims, to have incurred legal expenses and professional fees, thus far, in the amount of \$26,272.00.

3. The attorney’s fees in Marilee’s report are vastly overstated and reflect work that was performed on this file that had no efficacy, purpose or success.

4. **Factor: The amount of the retail public utility's debt allocable for service to the area in question.**

5. According to the NewGen Report, *“Marilee SUD has issued debt to fund the planning, design, and construction of facilities to provide water service to existing and future customers within its CCN.”* It also notes that *“If the decertification had not occurred, Marilee SUD would have been able to recover a portion of the fixed debt service costs from future connections within the Decertified Area.”*

6. The NewGen Report references the Texas Water Development Board's 2021 Regional Water Plan showing that the population in Marilee SUD's service area is projected to grow from 7,686 in 2020 to 7,955 in 2030, an increase of 269 over the ten-year period. In reviewing the 2021 Region C Water Plan: Volume I Main Report, issued in November 2020, identifies Marilee's expected growth in Collin County and Grayson County. According to the Plan (excerpts of which are included as Attachment A), all of Marilee's population growth between 2020 and 2030 is projected to occur in Grayson County. However, the area to be decertified in Docket 52435 is located within Collin County. This means that NewGen's assumptions are not consistent with the Region C Master Plan.

7. NewGen then references a buildout plan for the Decertified Area, as detailed in the City of Celina, Texas Ordinance 2016-59 O'Donnell Zoning – PD-70, dated August 9, 2016. According to the NewGen Report, 314 connections are projected in the Decertified Area at buildout. The Report does mention that growth would be limited to 317 new connections based on capacity limitations of the Marilee facilities serving the Decertified Area. NewGen projects that the connections will start in 2022 and that all 314 connections will be online by 2027. The evidence should be disregarded for two reasons. First, as identified in the Final Order, the current owner has not requested service from Marilee SUD as of the date of the petition. It is our understanding that if Marilee continues to hold the CCN the current owner will not develop this property in the foreseeable future. Second, this population growth does not appear to be included in the 2021 Region C Water Plan dated November 2020, which is 4 years after the referenced ordinance was approved.

8. On another note, NewGen has also issued a Report in Docket 50404 and is requesting debt service recovery limited to the same 317 available connections as requested in

this Report. Therefore, NewGen is requesting to be compensated twice, in two separate dockets, for the same connections.

Respectfully submitted,

COATS ROSE, P.C.

By:



Natalie B. Scott
State Bar No. 24027970
Terrace 2
2700 Via Fortuna, Suite 350
Austin, Texas 78746
Telephone: (512) 469-7987
Facsimile: (512) 469-9408
Email: nscott@coatsrose.com

Joshua A. Bethke
State Bar No. 24105465
14755 Preston Road, Suite 600
Dallas, Texas 75254
Telephone: (972) 982-8454
Facsimile: (972) 702-0662
Email: jbethke@coatsrose.com

ATTORNEYS FOR PETITIONER

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served on the following attorneys of record on or before May 23, 2022 in accordance with 16 Tex. Admin. Code § 22.74(c).

Attorneys for Marilee Special Utility District:

John J. Carlton and Grayson E. McDaniel
The Carlton Law Firm, P.L.L.C.
4301 Westbank Drive, Suite B-130
Austin, Texas 78746
Email: john@carltonlawaustin.com
Email: grayson@carltonlawaustin.com

Attorneys for Commission Staff:

Merritt Lander
Attorney-Legal Division
Public Utilities Commission of Texas
1701 N. Congress Ave.
P.O. Box 13326
Austin, Texas 78711-3326
Email: merritt.lander@puc.texas.gov



Natalie B. Scott