



## Filing Receipt

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**DOCKET NO. 53920**

<b>APPLICATION OF TEXAS WATER UTILITIES, L.P. AND CREEK WATER UTILITY, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MARION COUNTY</b>	<b>§ § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**TEXAS WATER UTILITIES, L.P.'S RESPONSE TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION**

To: Public Utility Commission of Texas (Commission), by and through its attorney of record, Ian Groetsch, Legal Division, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78701.

Texas Water Utilities, L.P. (TWU) files its Responses to Public Utility Commission Staff's First Request for Information (RFI) to TWU received on January 18, 2023. This response is timely filed. Pursuant to 16 Tex. Admin. Code (TAC) § 22.144(c)(2)(F), TWU agrees and stipulates that all parties may treat the responses as if the answers were filed under oath.

Respectfully submitted,

SPENCER FANE, LLP  
816 Congress Avenue  
Suite 1200  
Austin, Texas 78701  
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/s/ William A. Faulk, III

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**ATTORNEYS FOR TEXAS WATER  
UTILITIES, L.P.**

**CERTIFICATE OF SERVICE**

I hereby certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on February 3, 2023, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ William A. Faulk, III

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WILLIAM A. FAULK, III

**PUC DOCKET NO. 53920**

**TWU'S RESPONSE TO  
COMMISSION STAFF'S FIRST RFI**

**Staff 1-1** File a table summarizing the 5-year projected net incomes, planned capital expenditures, and purchase prices (if applicable) for all dockets filed since the ending date of your financial statements until the filing date of this docket: 53215, 53472, and 53920.

**RESPONSE:** Please see attached Confidential Attachment Staff 1-1.

Prepared by: Counsel  
Sponsored by: Brian Bahr

**PUC DOCKET NO. 53920**

**TWU'S RESPONSE TO  
COMMISSION STAFF'S FIRST RFI**

**Staff 1-2** If the costs and losses demonstrated by the aforementioned table exceed Texas Water's available cash as shown on the balance sheet, provide documentation demonstrating available funds exceeding those costs and losses.

**RESPONSE:** TWU's projected net income and cash amounts are sufficient to cover the purchase price of Creek Water Utility, LLC (Creek Water). This is demonstrated on TWU's audited financial statements. Over the past three years, TWU's "Net cash provided by operating activities" (unrestricted net income, plus addbacks for non-cash expense items) was:

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>3 Year Average</b>
<b>Net Cash Provided from Operations</b>	\$11.373 M	\$6.867 M	\$7.843 M	\$8.694 M

This trend is forecasted to continue through at least 2027.

Please see Confidential Exhibit A to Attachment Staff 1-2(1), which describes the centralized Cash Collections & Liquidity Practices of TWU's parent company Southwest Water Company (SouthWest). The policy describes the daily cash flow that occurs between TWU and SouthWest, which provides TWU with sufficient liquidity without tying up large cash sums for extended periods, which is consistent with prudent financial management practices.

Please see Confidential Attachments Staff 1-2(2) and 1-2(3), which have been filed confidentially.

Prepared by: Counsel  
Sponsored by: Brian Bahr

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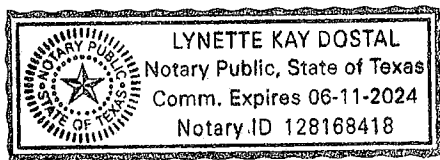
<b>APPLICATION OF TEXAS WATER UTILITIES, L.P. AND CREEK WATER UTILITY, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN MARION COUNTY</b>	§ § § § § §	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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**AFFIDAVIT OF ALISON ZIMLICH**

STATE OF TEXAS            )  
  )  
COUNTY OF TRAVIS        )

BEFORE ME, the undersigned authority, on this day personally appeared Alison Zimlich who being by me first duly sworn, on oath deposed and said the following:

1. My name is Alison Zimlich. I am over the age of 18 and am otherwise competent to make this affidavit. I am Chief Financial Officer for SouthWest Water Company (SouthWest). I have personal knowledge of the facts stated herein and those facts are true and correct.
  
2. As of the date of this submission, SouthWest affirms that it is capable, available, and willing to provide interim funding to Texas Water Utilities, L.P. (TWU) pursuant to SouthWest’s cash collections and liquidity practices in amounts necessary to facilitate the transaction that is the subject of this application, including operations and maintenance activities, capital expenditures, and costs of acquisition. SouthWest has a Centralized Cash Collections & Liquidity Practices Policy, being provided confidentially in support of this application as **Exhibit A** to this affidavit.



Alison Zimlich  
ALISON ZIMLICH

SUBSCRIBED AND SWORN TO before me this 3<sup>rd</sup> day of January, 2023.

Lynette Kay Dostal  
Notary Public, State of Texas