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APPLICATION OF THE CITY OF
CIBOLO FOR SINGLE
CERTIFICATION IN INCORPORATED
AREA AND TO DECERTIFY
PORTIONS OF GREEN VALLEY
SPECIAL UTILITY DISTRICT'S
SEWER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN
GUADALUPE COUNTY

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PUBLIC UTILITY COMMISSION
BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY AND EXHIBITS

OF

STEPHEN H. BLACKHURST, P.E.

ON BEHALF OF

GREEN VALLEY SPECIAL UTILITY DISTRICT

November 2, 2016

79

**DIRECT TESTIMONY AND EXHIBITS OF
STEPHEN H. BLACKHURST, P.E.**

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ATTACHMENTS:

GVSUD-1 Green Valley Special Utility District Appraisal Report

GVSUD-8 Resume of Stephen H. Blackhurst, P.E.

DIRECT TESTIMONY OF STEPHEN H. BLACKHURST, P.E.

ON BEHALF OF

GREEN VALLEY SPECIAL UTILITY DISTRICT

I. BACKGROUND AND QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Stephen H. Blackhurst. I am a licensed professional engineer (P.E.).

My business address is 652 Grisham Dr., Rockwall, Texas 75087.

Q. What is your present position?

A. I am an environmental compliance and utility rates and services consultant.

Q. What are the primary services you provide?

A. I primarily assist retail public utilities with environmental compliance for water and wastewater activities, which includes interpreting and complying with Texas Commission on Environmental Quality ("TCEQ"), and now Public Utility Commission of Texas ("PUC"), rules and staff guidance documents, the Texas Water Code, the Texas Health and Safety Code, and federal rules and regulations for public drinking water, wastewater treatment, water/sewer utility rates and services.

1 **Q. What was your assignment and scope of work in this proceeding?**

2 **A.** I have special expertise in the area of certificate of convenience and necessity
3 (“CCN”) administration, and I was asked by Green Valley Special Utility District
4 (“GVSUD”) to provide testimony describing my view of the issues the
5 Commission has set out for consideration in this docket. I hope that my
6 testimony can be a resource for all the parties involved and the Commission.

7
8 **Q. Please describe your educational background.**

9 **A.** I received a Bachelor of Science in Civil Engineering from Texas A&M
10 University in 1970. I am also licensed in Texas as a Professional Engineer.

11 Over the course of my professional career, I have attended a number of
12 training classes and seminars related to water and wastewater utility operations,
13 rates and management, including the National Association of Regulatory Utility
14 Commissioners (“NARUC”) sponsored Western Rate Seminar at the University of
15 Utah. I have also attended a number of training classes and seminars related to
16 operating water and sewer systems and environmental compliance.

17 I am a member of the American Water Works Association (“AWWA”) and
18 the Texas Section of AWWA. I was also a member and advisory director of the
19 Independent Water & Sewer Companies of Texas (“IWSCOT”), the Texas trade
20 association of privately owned water and sewer companies.

21

1 **Q. Please describe your professional experience.**

2 **A.** On November 1, 2013, I retired from Aqua Texas ("Aqua") after serving for 10
3 years and 4 months as the Regional Environmental Compliance Manager for
4 Aqua's Texas operations. Now, I offer private consulting services to various
5 retail public utilities.

6 I joined Philadelphia Suburban Corporation, now Aqua America, at the end
7 of June 2003. As the Regional Environmental Compliance Manager for Texas, I
8 was responsible for ensuring that all Aqua facilities comply with state and federal
9 regulations. My duties included tracking wastewater permits and drinking water
10 compliance, preparing and filing compliance reports with state and federal
11 regulatory agencies, documenting and handling notices of violation and reporting
12 to management. In addition, I was responsible for preparing or overseeing the
13 preparation of applications for new wastewater permits and permit renewals.

14 Prior to joining Aqua, I worked as a Circuit Rider for the Texas Rural
15 Water Association. In this position, I traveled the State of Texas providing
16 on-site technical assistance to cities, municipal utility districts ("MUDs"), special
17 utility districts ("SUDs"), and water supply corporations ("WSCs") on water and
18 wastewater regulatory and operational issues.

19 During 2001, I worked as a Utility Rates and Services Consultant providing
20 consulting services to MUDs, SUDs, investor-owned utilities ("IOUs") and WSCs
21 regarding utility rates and designated utility service areas, also known as CCNs.

1 From late 1983 through early 1986, I worked for the PUC in the water rates
2 program until jurisdiction was transferred to the Texas Water Commission
3 ("TWC"), which became the Texas Natural Resource Conservation Commission
4 ("TNRCC") and now the TCEQ. With the PUC and the TNRCC, until I retired
5 in 2001, I planned and directed the water and wastewater utility oversight program
6 for the State of Texas. At the PUC, I served as a rate engineer and the Assistant
7 Director of the Engineering Department for water and sewer utility issues. At the
8 TWC and TRNCC from 1986 until 2001, I served as Manager of the Utility Rates
9 and Services Section as well as a Technical Specialist. I participated in
10 numerous CCN and ratemaking proceedings and provided expert testimony on
11 behalf of the PUC, TWC, and TNRCC in public meetings and hearings. I also
12 drafted administrative rules and legislation and provided advice to commissioners
13 and legislators on the impacts of pending legislation.

14 In addition, I served as liaison between the Environmental Protection
15 Agency ("EPA"), the Texas Water Development Board, water utility
16 representatives and the public to coordinate the Federal Safe Drinking Water Act
17 ("SDWA") and State Revolving Fund with utility regulations. I drafted
18 legislation and administrative rules to implement the Texas Water Code in Texas,
19 and I developed programs to provide MUDs, SUDs, IOUs, and WSCs with
20 financial, managerial and technical assistance. I also developed rules and
21 policies to provide opportunities for utility acquisitions and mergers to assure
22 long-term utility system viability.

1 During my tenure with TNRCC, I represented the agency on various
2 national panels, committees, and working groups. I served on the Staff Water
3 Committee for NARUC for 15 years, and I chaired the committee from
4 1986-1989. I also served as a faculty member and instructor for the NARUC
5 (National Association of Regulatory Utility Commissioners) Utility Rate Schools
6 for 16 years. I have participated in numerous NARUC national conferences and
7 committee meetings.

8 From 1981 to 1983, I worked as the Source Control Field Supervisor for the
9 State of Idaho, Department of Health and Welfare, Division of Environment,
10 where I planned and directed the public drinking water program and water quality
11 program for the Northern Region Field Office.

12 From 1970 to 1981, I worked for the Texas Department of Health – Air
13 Pollution Control Services, Gifford Hill & Co. of Dallas, Texas, and the Texas Air
14 Control Board. At Gifford Hill, I was responsible for monitoring, sampling, and
15 analyzing air pollution sources and a variety of other regulatory activities. A
16 copy of my resume is attached as **GVSUD-8**.

17
18 **Q. Have you previously testified in regulatory proceedings?**

19 **A.** I have testified as an expert and fact witness in a number of administrative
20 hearings before the TCEQ (and its predecessor agencies) and the Public Utility
21 Commission of Texas. Most of those hearings were CCN and IOU rate cases. I
22 recently testified in PUC Docket No. 45848, SOAH Docket No. 473-16-5011.WS

1 on behalf of Aqua Texas, Inc. regarding the first round of referred issues in that
2 hearing under TWC §13.254, similar to those at issue here under TWC §13.255.
3

4 **Q. How does your background relate to the issues in this case?**

5 **A.** I served as Manager, Utility Rates & Services Section, Texas Natural Resources
6 Conservation Commission, the previous name for TCEQ, for 14 years from
7 1986-2000 and as an engineer and the Assistant Director of the Engineering
8 Division for water and wastewater at the PUC from 1983-1985. This case
9 involves CCN single certification/decertification and the compensation process set
10 forth in Texas Water Code. That process was first added to the Texas Water
11 Code in 1987 through HB 2035 (70th(R)) and further spelled out in 1995 through
12 HB 1935 during my tenure as a Manager for the Texas Water Commission and
13 TNRCC. Part of my duties at Texas Water Commission and TNRCC included
14 participating in the legislative and rulemaking processes that resulted in the first
15 version of that process. Later, during my time with Aqua prior to my retirement,
16 I participated as a representative of Aqua in the legislative and rule processes that
17 led to changes now present in both TWC §§13.254 and 13.255. Therefore, I
18 believe I have a unique perspective on the issues in this docket that specifically
19 relate to the compensation process under TWC §13.255 and what is now 16 TEX.
20 ADMIN. CODE ("TAC") §24.120 (previously 30 TAC §291.120).

II. OVERVIEW OF TESTIMONY

Q. What is the purpose of your testimony?

A. I have reviewed the July 1, 2016 PUC Commissioners' Preliminary Order, the July 20, 2016 PUC Commissioners' Supplemental Preliminary Order, the August 19, 2016 State Office of Administrative Hearings ("SOAH") Order No. 2, the appraisal report prepared by KOR Group, Inc. for GVSUD that was filed on June 28, 2016, **GVSUD-1**, and the current versions of TWC §13.255 and 16 TAC §24.120. The purpose of my testimony is to offer information about how I viewed the TWC §13.255 decertification and compensation process when it was first implemented so the PUC may have guidance for deciding the "property" identification issues prescribed for the first hearing in this docket. The PUC was recently tasked with regulating water and sewer CCNs (after a lengthy interim period of not regulating them) and I have been involved in the regulatory process since this regulation's inception.

Q. Would you please summarize your testimony?

A. I believe the Green Valley Appraisal Report prepared by Mr. Korman has properly identified property that should be the basis for compensation under TWC §13.255 and 16 TAC §24.120.

1 **III. PROPERTY RENDERED USELESS OR VALUELESS BY**
2 **DECERTIFICATION**

3 **Q. Why does 16 TAC §24.113 contain language that states “[a] certificate or**
4 **other order of the commission does not become a vested right and the**
5 **commission at any time after notice and hearing may revoke or amend any**
6 **certificate of convenience and necessity (CCN)” if it finds certain conditions?**

7 **A.** This language is not and to my knowledge has not ever been included in TWC
8 §13.255, or anywhere else in Chapter 13 of the Water Code. It was included in
9 30 TAC §291.113, now 16 TAC §24.113, before there was any type of
10 compensation process for CCN decertification in that rule or 30 TAC §291.120,
11 now 16 TAC §24.120. My understanding is that it was included just to clarify
12 that the CCN regulatory authority (the TNRCC and now PUC) has the right to take
13 away CCN service area under prescribed conditions.

14
15 **Q. When was the TWC §13.255 compensation process added?**

16 **A.** There was some form of compensation required in certain situations in HB 2035
17 (70th(R)) passed in 1987. The compensation process was refined in 1995 in SB 1
18 (75th(R)).

19
20 **Q. What did TWC §13.255 look like prior to and after its amendments in 1995 to**
21 **require compensation to be decided by an independent appraiser?**

1 A. Relevant portions of TWC §13.255 as adopted in 1995 through HB 1935 (74th(R))
2 included additions (subsection l) and additions/deletions (subsection g).
3 Additions are shown below in underline and deletions in strikeout:

4 (g) For the purpose of implementing this section, the value of real property
5 shall be determined ~~by the commission and/or the court~~ according to the standards
6 set forth in Chapter 21, Property Code, governing actions in eminent domain; the
7 value of personal property shall be determined according to the ~~rules to be~~
8 ~~promulgated by the commission pursuant to the factors in this subsection.~~ The factors
9 ensuring ~~Such rules shall ensure~~ that the compensation to a retail public utility for the
10 taking ~~and~~ damaging, and/or loss of personal property, including the retail public
11 utility's business, is just and adequate, and shall, at a minimum, include take into
12 ~~account the following factors:~~ impact on the existing indebtedness of the retail public
13 utility and its ability to repay that debt, the value of the service facilities ~~personal and~~
14 ~~real property~~ of the retail public utility located within the area in question, the
15 amount of any expenditures for planning, design, or construction of service facilities
16 outside the incorporated or annexed area that are allocable to service to the area in
17 question, the amount of the retail public utility's contractual obligations allocable to
18 the area in question, any demonstrated impairment of service or increase of cost to
19 consumers of the retail public utility remaining after the single certification, the
20 impact on future revenues and expenses of the retail public utility, necessary and
21 reasonable legal expenses and professional fees, factors relevant to maintaining the
22 current financial integrity of the retail public utility, and other relevant factors.

1 (l) The compensation provided under Subsection (g) shall be determined by a
2 qualified individual or firm to serve as independent appraiser, who shall be selected
3 by the affected retail public utility. The determination of compensation by the
4 independent appraiser shall be binding on the commission. The costs of the
5 appraiser shall be paid by the municipality.
6

7 **Q. What did the 30 TAC §291.113 “vested property right” language look like**
8 **originally?**

9 **A. As early as 1990, the §291.113 “vested property right” language was included in**
10 §291.112, which included no compensation language, was much shorter, and
11 stated:

12 *(a) A certificate or other order of the commission does not become a vested right*
13 *and the commission at any time after notice and hearing may revoke or amend any*
14 *certificate of public convenience and necessity if it finds that the certificate holder*
15 *has never provided, is no longer providing service or has failed to provide*
16 *continuous and adequate service in the area, or part of the area covered by the*
17 *certificate.*

18 *(b) If the certificate of any utility is revoked or amended, the commission may*
19 *require one or more utilities to provide service in the area in question.*

20 My recollection is this language was in the earlier version of §291.112 even prior
21 to the first version of TWC §13.255 in 1987. This language was not and still is
22 not included in TWC §13.255 or an implementing rule specific to TWC §13.255.

1 **Q. What was the purpose of the compensation process set forth in TWC §13.255**
2 **and now 16 TAC §24.120?**

3 **A.** There was a concern about residents in certain areas of the State near
4 municipalities not being able to receive service from those municipalities where
5 the certificated provider had no capability to serve. But the Water Code requires
6 retail public water and sewer utility owners to make investments in their systems
7 through planning activities, among others, while they hold a CCN in order to
8 ensure capability to respond to service requests within a reasonable amount of
9 time. Therefore, there was a justifiable competing concern about making sure a
10 retail public utility was made whole for lost investments rendered useless or
11 valueless by a decertification or single certification to a municipality. In my
12 view, those property interests existed separate and apart from the CCN permit
13 itself which could be taken by the regulatory agency under the limited situations
14 outlined in TWC §13.255. I also note that subsection “g” states the factors listed
15 to ensure compensation to the retail public utility is just and adequate.

16
17 **Q. Are you familiar with the changes to the compensation provisions in TWC**
18 **§13.255 that occurred in 2005?**

19 **A.** Yes. I was involved as an Aqua representative commenting on the legislative
20 and rulemaking efforts that revised the TWC §13.254 and §13.255 compensation
21 provisions in 2005. I have reviewed the different iterations of TWC §13.255
22 over the years.

1 **Q. What types of property could be rendered useless or valueless by a TWC**
2 **§13.255 single certification/decertification application under the process in**
3 **effect up until you left TNRCC in 2000 and now?**

4 **A.** The Legislature did not clearly define “property” in TWC §13.255. Neither
5 TNRCC, its predecessors, nor its successors adopted rules to clarify that term.
6 During my time at TNRCC we viewed the compensation factors set forth in the
7 statute as instructive to that end. First, those factors covered and continue to
8 cover both tangible and intangible property interests. Second, those factors
9 covered and continue to cover compensation for property interests that are not
10 necessarily within the area being decertified. Finally, I also found and continue
11 to find the definition of “facilities” in TWC §13.002(9) instructive because it
12 broadly states that the term “means all the plant and equipment of a retail public
13 utility, including all tangible and intangible real and personal property without
14 limitation, and any and all means and instrumentalities in any manner owned,
15 operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in
16 connection with the business of any retail public utility.”

17 The definition of “service” in TWC §13.002(21) is also helpful in that it
18 broadly covers “any act performed, anything furnished or supplied, any facilities
19 or lines committed or used by a retail public utility in the performance of its duties
20 under this chapter to its patrons, employees, other retail public utilities, and the
21 public, as well as the interchange of facilities between two or more retail public
22 utilities.” I note that one of the factors to look at in TWC §13.255(g) that has never

1 been changed is “other relevant factors.” Collectively, this provides the
2 regulatory authority a broad collection of types of tangible and intangible property
3 that should be assessed for compensation purposes under TWC §13.255(c) and (g)
4 if it is rendered useless or valueless by a single certification/decertification
5 application.

6

7 **Q. Does TWC §13.255 permit partial decertification of CCN service areas?**

8 **A. Yes. In fact, that is the most common type of decertification.**

9

10 **Q. If part of a retail public utility’s service area is removed, should it receive**
11 **compensation under TWC §13.255 for part of its property if the remainder**
12 **retains some value for service elsewhere?**

13 **A. Yes. Again, I would look to the factors in TWC §13.255(g) and the**
14 **facilities/service definitions in TWC §13.002(9), (21), as also reflected in their**
15 **implementing Commission rules, for instruction. There can certainly be**
16 **situations where part of a property interest as characterized by those sections may**
17 **be rendered useless or valueless due to a partial CCN removal. In those**
18 **situations, some sort of allocated property interest would require valuation.**

19

20 **Q. How does the compensation factor of “necessary and reasonable legal**
21 **expenses and professional fees” fit into the analysis of “property rendered**
22 **useless or valueless?”**

1 **A.** One concern that prompted including legal and professional expenses in the
2 compensation factors list was that legal and professional expenses are a substantial
3 expense that retail public utilities must incur to obtain and maintain their CCNs,
4 wastewater permits, or other authorizations required to provide service in terms of
5 planning and operations within a particular CCN service area. If even a portion
6 of the CCN area is removed, some of those costs are rendered useless or valueless.
7 Responding to TWC §13.255 applications adds to those costs.

8
9 **Q.** **What were the changes to TWC §13.255(g) that occurred in 2005?**

10 **A.** There were several changes. First, the language about “factors ensuring that the
11 compensation to a retail public utility for the taking, damaging, or loss of personal
12 property, including the retail public utility’s business, is just and adequate” was
13 changed to “factors ensuring that the compensation to a retail public utility is just
14 and adequate.” Second, “the impact on future revenues and expenses of the retail
15 public utility” was replaced with “the impact on future revenues lost from existing
16 customers.” Third, Subsection (g-1) was also added specifically requiring the
17 Commission’s predecessor agency to adopt rules “governing the evaluation of the
18 factors to be considered in determining the monetary compensation under
19 Subsection (g).” Neither the Commission nor its predecessor ever adopted rules
20 clarifying evaluation of the factors to be considered.

1 **Q. Do you have an opinion about those changes?**

2 **A.** Yes. As originally enacted, my understanding was that TWC §13.255 clearly
3 intended to make retail public utilities whole where even a portion of their CCNs
4 were being removed if the retail public utility had made investments or otherwise
5 acquired property interests for service to removed areas whether active or not. In
6 my opinion, tweaking the language does not change the fact there is the “taking”
7 or “damaging” of private property and the loss of a “retail public utility’s
8 business.” I believe these are still very relevant constitutional property rights
9 concerns. The statute continues to require compensation for the amount of any
10 expenditures for “planning, design” or acquisition of permits or property for a
11 wastewater treatment plant whether inside or outside the area being decertified
12 “allocable to the area in question” and any “increase of cost to consumers of the
13 retail public utility remaining after the single certification.”

14 TWC §13.001(c) indicates that the purpose of TWC Chapter 13 is to
15 “establish a comprehensive regulatory system that is adequate to the task of
16 regulating retail public utilities to assure rates, operations, and services that are
17 just and reasonable to the consumers and to the retail public utilities.” In my
18 opinion, the 2005 changes can not accomplish that task without rules which the
19 Commission was required to develop. Therefore, to make sure the purpose of
20 Chapter 13 is upheld, in the absence of clarifying rules, the Commission should
21 apply a reasonable interpretation of the factors provided such as “other relevant
22 factors” specified in the statute to make retail public utilities like Green Valley

1 whole when a portion of their CCN area is removed. I believe that is the only
2 way to provide retail public utilities with “just and adequate” compensation in
3 CCN decertification situations like this one under the current version of TWC
4 §13.255 without more specific implementing rules.

5
6 **Q. Have you reviewed and formed an opinion with respect to whether the Green**
7 **Valley Appraisal Report has properly identified Green Valley property that**
8 **would be rendered useless or valueless by the decertification Cibolo requests**
9 **in its application?**

10 **A.** Yes.

11
12 **Q. What is that opinion?**

13 **A.** In my opinion, the Green Valley Appraisal Report prepared by KOR Group, Inc.
14 has properly identified the Green Valley property interests that would be rendered
15 useless or valueless by the decertification Cibolo’s application requests and that
16 would require compensation under TWC §13.255(g) if the application is approved.

17
18 **IV. PROPERTY VALUED IN FILED APPRAISAL REPORTS**

19 **Q. Have you reviewed all the appraisal reports filed in this docket?**

20 **A.** Yes.

1 **Q. Have you formed an opinion with respect to whether the appraisal reports**
2 **filed in this docket are limited to property that would be rendered useless or**
3 **valueless if the decertification Cibolo's application requests is approved?**

4 **A. Yes.**

6 **Q. What is that opinion?**

7 **A. The Green Valley Appraisal Report prepared by KOR Group, Inc., GVSUD-1, is**
8 properly limited to property interests that will be rendered useless or valueless by
9 the Green Valley sewer CCN decertification Cibolo requests per §13.255. Green
10 Valley must receive just and adequate compensation for those property interests
11 under TWC §13.255(g). The Cibolo report filed in this docket fails to properly
12 assess the property interests identified in the Green Valley Appraisal Report and
13 was not prepared by a licensed appraiser.

15 **Q. Does this conclude your prefiled direct testimony?**

16 **A. Yes, but I reserve the right to supplement my testimony as additional information**
17 becomes available.



**STEPHEN H. BLACKHURST, P.E.
CONSULTANT
WATER & WASTEWATER ENVIRONMENTAL COMPLIANCE
WATER & WASTEWATER UTILITY RATES & SERVICES**

EDUCATION

B.S. Civil Engineering, Texas A& M University, 1970
Licensed Professional Engineer in Texas
Numerous Water & Wastewater Operator Certification Courses

CONSULTING SERVICES, 2014 - Present

Advise and assist water and wastewater utilities in complying with TCEQ environmental rules and regulations; matters related to Certificates of Convenience and Necessity (CCNs), rates, tariffs and service policies. Provide expert testimony on environmental and utility matters.

PRIOR EMPLOYMENT EXPERIENCE

Regional Environmental Compliance Manager, 2003 - 2013

Responsible for ensuring that Aqua Texas facilities complied with environmental regulations, CCNs and permits; filed reports for wastewater permits; drinking water compliance and water system management; tracked and documented regulatory compliance to ensure deadlines were met; responded to notices of violation, administrative actions and correspondence; kept management informed on environmental compliance issues; prepared and oversaw preparation of applications for new wastewater permits and permit renewals.

Circuit Rider, Texas Rural Water Association, 2002 - 2003

Traveled throughout Texas providing on-site technical assistance in water and wastewater regulatory issues to Cities, Districts, and Water Supply Corporations (WSCs); provided assistance on CCNs, operational issues; state and federal regulatory requirements; and utility rates and services.

Utility Rates and Services Consultant – 2001

Provided consulting services for Districts, Investor Owned Utilities and Water Supply Corporations on rates, service rules and CCNs.

Manager, Utility Rates & Services Section, Texas Natural Resource Conservation Commission (TNRCC) 1986-2000, Technical Specialist, 2001

Planned & directed the water and wastewater utility oversight program for the State of Texas including recruiting, training and supervising technical and administrative staff; established and monitored action plans to carry out the regulatory program; provided technical recommendations to the Commissioners on cost of service, quality of service, rate design, policy, and administrative rules; testified as an expert witness in public meetings and hearings; participated in and mediated negotiation and rate dispute settlement sessions; provided assistance to legislators on impacts of pending legislation and drafting of potential legislation such as Article 6 of Senate Bill One, 1997.

Worked with the Environmental Protection Agency (EPA), the Texas Water Development Board, water utility industry representatives and the public to coordinate the impacts and opportunities of the Federal Safe Drinking Water Act (SDWA) and State Revolving Fund with utility regulations; developed Texas legislation and administrative rules for implementing SDWA and programs to provide districts, utilities and WSCs with financial, managerial and technical assistance; developed rules to provide opportunities for acquisitions and mergers to assure long term utility system viability.

Represented TNRCC on national panels, committees and working groups; 15 years on NARUC (National Association of Regulatory Commissioners) staff Water Committee; Committee Chairman 1986-1989; and served as a faculty member of the NARUC Utility Rate Schools for 16 years.

Assistant Director of Engineering for Water & Sewer Utilities, Public Utility Commission of Texas 1984- 1986

Planned & directed the water and wastewater utility oversight program for the State of Texas; provided technical recommendations to the Commissioners on CCNs, cost of service, quality of service and rate design, policy and administrative rules; testified as an expert witness.

Source Control Field Supervisor, Idaho Department of Health & Welfare, Division of Environment 1982- 1983

Planned & directed the activities of the northern region field office overseeing the public drinking water program and water quality program.

State of Idaho, Gifford Hill & Co. (Dallas) and the Texas Air Control Board 1970 - 1981

Involved in monitoring, sampling and analysis of air pollution sources and associated regulatory activities; expert witness in administrative hearings and trials.

PROFESSIONAL TRAINING AND EXPERIENCE IN RATEMAKING AND UTILITY REGULATION

NARUC Western Utility Rate School, I attended the school in 1984.

NARUC Western Utility Rate School, I started teaching a session on Rate Design in 1986. I continued teaching at the Western Rate School every year on Rate Design and toward the end, on Developing Rate Base and Depreciation through 2001.

NARUC Eastern Utility Rate School, I taught Rate Design in 1994 and 1995.

NARUC Western and Eastern Utility Rate Schools, I was chair of the NARUC Staff Water Committee from 1993 – 1996 and had overall responsibility for coordinating and conducting both the Eastern and Western Rate Schools during that time.

TNRCC/TCEQ Rate Seminars, I taught rate setting methodology and rate design at a number of TCEQ utility seminars. I taught a session at a TCEQ Environmental Trade Fair. I taught the session on cash basis rate setting methodology and rate design at a TCEQ sponsored Rate Seminar in August of 2003 after I was working for Philadelphia Suburban.

Texas Rural Water Association Rate Seminars, I taught seminars on rate setting and CCN issues at a number of TRWA Annual Conferences while with TCEQ as well as during my time as a Circuit Rider with TRWA.

Independent Water & Sewer Companies of Texas Regulatory Seminars, While I was manager of the Utility Rates and Services Section, I spoke on Rate and CCN issues at nearly every IWSCOT meeting. IWSCOT holds three regulatory seminars each year.

CLE International Law Conferences – I spoke on several occasions on Rate Setting at CLE legal seminars and served on panels during question and answer times.

Legislation, I prepared fiscal notes on proposed legislation; helped draft legislation on utility rates, service requirements and CCN issues to amend Chapter 13 of the Water Code a number of times; including Senate Bill 1 in 1997; met with legislative staff; and testified on proposed legislation before House and Senate Committees as a resource witness.

Rulemaking, I wrote or co-wrote most of the amendments to the TNRCC/TCEQ's Chapter 291 rules while I was manager of the Utility Rates and Services Section.