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PUBLIC UTILITY COMMISSION
CLERK

**CITY OF CELINA'S NOTICE OF
INTENT TO PROVIDE WATER AND
SEWER SERVICE TO AREA
DECERTIFIED FROM AQUA TEXAS,
INC. IN DENTON COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**CROSS-REBUTTAL TESTIMONY
OF
CHRIS HORNSBY
ON BEHALF OF
PETITIONER CITY OF CELINA**

EXHIBITS SPONSORED BY CHRIS HORNSBY:

- CEL103: Testimony of Paul Hornsby**
- CEL105: The Jurisdictional Exception Rule From Uniform Standards of Professional Appraisal Practice (2016-2017 Edition)**
- CEL106: Standards From Uniform Standards of Professional Appraisal Practice (2016-2017 Edition)**
- CEL107: Scope of Work Rule From Uniform Standards of Professional Appraisal Practice (2016-2017 Edition)**
- CEL109: Resume of Chris Hornsby**

1 INTRODUCTION

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

3 **A.**My name is Chris Hornsby, and my business address is 7600 N. Capital of Texas
4 Highway Building B, Suite 210 Austin, TX 78731.

5 **Q. WHAT SUBJECTS WERE YOU ASKED TO EVALUATE FOR THIS**
6 **PROCEEDING?**

7 **A.**In the event that Mr. Paul Hornsby is unable to testify at the Hearing on the Merits in this
8 matter because of the possibility that a trial he was previously scheduled to testify at
9 might interfere, I was asked to review the testimony of Paul Hornsby, marked CEL-103
10 and filed in this proceeding, as that testimony addresses (1) Uniform Standards of
11 Professional Appraisal Practice; and (2) the question of lost economic opportunity. The
12 Uniform Standards of Professional Appraisal Practice is typically referred to as USPAP.
13 I was also asked to review the documents reviewed by Mr. Paul Hornsby for his
14 testimony.

15 QUALIFICATIONS

16 **Q. HOW ARE YOU CURRENTLY EMPLOYED?**

17 **A.**I am employed by Paul Hornsby & Co. a company based in Austin, Texas.

18 **Q. WHAT TYPE OF BUSINESS IS PAUL HORNSBY & CO.?**

19 **A.**Paul Hornsby & Co. is a full service valuation firm providing objective, independent and
20 defensible opinions. All appraisals prepared at Paul Hornsby & Co. are undertaken in
21 conformity with USPAP, and the ethics and standards of the Appraisal Institute.

22 **Q. WHAT PRACTICE AREAS ARE INCLUDED IN THE VALUATIONS**
23 **UNDERTAKEN BY PAUL HORNSBY & CO.?**

24 **A.**Predominant practice areas include: (1) Eminent Domain; (2) Ad Valorem Tax; (3)
25 Construction Defects; (4) Commercial/Industrial Valuation; (5) Counseling; (6)
26 Intangible Asset Valuation; (7) Land Planning; (8) Brokerage; and (9) Litigation Support.

27 **Q. DO YOU WORK IN ALL THESE PRACTICE AREAS?**

28 **A.**Yes.

1 **Q. PLEASE DESCRIBE YOUR EXPERIENCE IN APPRAISALS, VALUATIONS**
2 **AND RELATED MATTERS.**

3 **A.** I have been practicing real estate appraisal and consultation since 2003 in the Austin, TX
4 office of Paul Hornsby & Company. This includes the valuation of all property types and
5 in support of litigation proceedings.
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7 I often serve in the capacity of expert witness both before special commissioners and in
8 appraisal review boards in multiple counties throughout Texas. I have testified on over
9 50 occasions.
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11 My commercial real estate experience includes appraisals for purposes including lending,
12 litigation, eminent domain, conservation easements, consultation, and ad valorem tax
13 appeal. The commercial valuations have included land (ranches, subdivision, rural, &
14 urban), office, retail, industrial and special property types including golf courses, hotels,
15 and convenience stores.

16 **Q. PLEASE SUMMARIZE YOUR FORMAL EDUCATION.**

17 **A.** I received a B.S. Degree in Biochemistry from the University of Texas at Austin in May
18 2003.

19 **Q. PLEASE DESCRIBE ANY ASSOCIATIONS TO WHICH YOU BELONG OR**
20 **ACTIVITIES YOU UNDERTAKE.**

21 **A.** My associations and activities are as follows:

- 22 (1) Member of the Appraisal Institute and Austin Chapter of the Appraisal Institute;
23 (2) Treasurer with the Austin Chapter of the Appraisal Institute;
24 (3) Member of the International Right of Way Association;
25 (4) Valuation Committee Chair, Austin Chapter of the International Right of Way
26 Association.

27 **Q. HAVE YOU APPRAISED BOTH REAL AND PERSONAL PROPERTY?**

28 **A.** Yes.

29 **Q. ARE YOU A LICENSED TEXAS APPRAISER?**

1 **A.** Yes.

2 **Q.** **ARE YOU A LICENSED REAL ESTATE AGENT?**

3 **A.** Yes.

4 **Q.** **ARE YOUR TEXAS APPRAISER AND REAL ESTATE AGENT LICENSES**
5 **CURRENT AND OTHERWISE IN GOOD STANDING?**

6 **A.** Yes.

7 **Q.** **I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL109**
8 **[RESUME]. WHAT IS THIS DOCUMENT?**

9 **A.** It is my resume describing my background and experience.

10 **Q.** **DID YOU PREPARE THIS EXHIBIT?**

11 **A.** Yes.

12 **Q.** **WHEN?**

13 **A.** August, 2016.

14 **Q.** **IS THE INFORMATION ON YOUR RESUME TRUE AND CORRECT?**

15 **A.** Yes.

16

17 **THE CITY OF CELINA OFFERS CEL109 [RESUME] INTO EVIDENCE.**

18

19 **Q.** **IN WHAT AREAS DO YOU CONSIDER YOURSELF TO BE AN EXPERT**
20 **QUALIFIED TO GIVE AN OPINION IN THIS CASE.**

21 **A.** Based on the experience and education I have already testified about, and my
22 professional concentration for the past 13 years has been as a practicing real estate
23 appraiser, I consider myself an expert appraiser, and expert regarding USPAP, and an
24 expert related to valuation of all types of property, both tangible and intangible.

25 **Q.** **HOW IS IT THAT YOU CONSIDER YOURSELF TO BE AN EXPERT**
26 **REGARDING USPAP?**

27 **A.** All appraisals prepared at the company I work at, Paul Hornsby & Co., are undertaken in
28 conformity with the Uniform Standards of Professional Appraisal Practice, and the ethics
29 and standards of the Appraisal Institute. It has been an integral part of my professional

1 life for 13 years. In addition, because of the extensive litigation support I provide, I
2 frequently need to consult with and opine on matters related to USPAP.

3 **Q. HOW IS IT THAT YOU CONSIDER YOURSELF TO BE AN EXPERT**
4 **APPRIASER AND AN EXPERT IN VALUATION OF ALL TYPES OF**
5 **PROPERTY, BOTH TANGIBLE AND INTANGIBLE?**

6 A. My 13 years of experience as an appraiser as well as the other matters I already
7 discussed, qualifies me as an expert appraiser. While much of my 13 years has been
8 spent dealing with real property assets, I also provide counseling services and separation
9 of real estate, tangible personal property, and intangible assets.

10
11 **THE CITY OF CELINA TENDERS MR. CHRIS HORNSBY AS AN EXPERT WITNESS.**
12

13 **Q. BASED UPON YOUR WORK FOR THE CITY OF CELINA AND YOUR**
14 **EDUCATION, EXPERIENCE, AND EXPERTISE, HAVE YOU FORMED**
15 **OPINIONS WITH REGARD TO ANYTHING EXPRESSED BY MR. PAUL**
16 **HORNSBY IN THE DOCUMENT THAT HAS BEEN MARKED CEL-103 THAT**
17 **WAS FILED IN THIS PROCEEDING?**

18 A. Yes. My opinions are provided below.

19 **Q. WHAT DOCUMENTS DID YOU RELY UPON TO REACH YOUR**
20 **CONCLUSIONS IN THIS MATTER?**

21 A. My conclusions were reached by reviewing:

- 22 1. Section 13.254 of the Texas Water Code;
- 23 2. 16 Tex. Admin. Code §24.113;
- 24 3. The Direct Testimony of Mr. Joshua Korman dated August 16, 2016 that was filed in
25 this proceeding;
- 26 4. The Direct Testimony of Jason S. Jones, P.E., labeled Exhibit CEL-100 that was field
27 in this proceeding;
- 28 5. Uniform Standards of Professional Appraisal Practice (2016-2017 Edition); and
- 29 6. CEL-103, the Testimony of Paul Hornsby filed in this matter.

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2 **Q. PLEASE SUMMARIZE YOUR OPINIONS.**

3 **A.** I agree with all of Mr. Paul Hornby's testimony on the document that is labeled CEL-103
4 and filed in this proceeding. I adopt Mr. Paul Hornsby's testimony as my own and
5 incorporate it into my own testimony fully and completely by reference.

6 **Q. I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL-105.**
7 **CAN YOU TELL ME WHAT THAT IS?**

8 **A.** Yes, it is a true and correct copy of the Jurisdictional Exception Rule from the most
9 current version of USPAP.
10

11 **THE CITY OF CELINA OFFERS CEL-105 INTO EVIDENCE.**
12

13 **Q. I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL-106.**
14 **CAN YOU TELL ME WHAT THAT IS?**

15 **A.** Yes, it is a true and correct copy of the Standards from the most current version of
16 USPAP.
17

18 **THE CITY OF CELINA OFFERS CEL-106 INTO EVIDENCE.**
19

20 **Q. I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL-107.**
21 **CAN YOU TELL ME WHAT THAT IS?**

22 **A.** Yes, it is a true and correct copy of the Scope of Work Rule from the most current
23 version of USPAP.
24

25 **THE CITY OF CELINA OFFERS CEL-107 INTO EVIDENCE.**
26

27 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

28 **A.** Yes, but I reserve the right to amend my testimony if additional information becomes
29 available.

**PUC DOCKET NO. 45848
SOAH DOCKET NO. 473-16-5011.WS**

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THE CITY OF CELINA OFFERS CEL-105 INTO EVIDENCE.

Q. I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL-106. CAN YOU TELL ME WHAT THAT IS?

A. Yes, it is a true and correct copy of the Standards from the most current version of USPAP.

THE CITY OF CELINA OFFERS CEL-106 INTO EVIDENCE.

Q. I AM SHOWING YOU WHAT HAS BEEN MARKED AS EXHIBIT CEL-107. CAN YOU TELL ME WHAT THAT IS?

A. Yes, it is a true and correct copy of the Scope of Work Rule from the most current version of USPAP.

THE CITY OF CELINA OFFERS CEL-107 INTO EVIDENCE.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, but I reserve the right to amend my testimony if additional information becomes available.