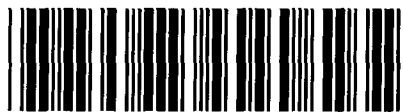




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Addendum StartPage: 0

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FORMAL COMPLAINT OF KER-SEVA
LTD., ADC WEST RIDGE VILLAS, L.P.,
AND CENTER FOR HOUSING
RESOURCES, INC. AGAINST THE
CITY OF FRISCO, TEXAS

§
§
§
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§

PUBLIC UTILITY COMMISSION
BEFORE THE FILING CLERK

PUBLIC UTILITY COMMISSION
OF TEXAS

COMPLAINANTS' RESPONSE TO ORDER NO. 3 AND
RULE 194.2 EXPERT DISCLOSURES

TO: SERVICE LIST

COMES NOW, Complainants Ker-Seva Ltd., ADC West Ridge Villas, L.P., and Center for Housing Resources, Inc. (collectively, "Complainants"), and file this their Rule 194.2 Expert Disclosures pursuant to Tex. R. Civ. P. 194.2(f) and Order No. 3 in this docket. Discovery is ongoing, and Complainants reserve the right to supplement and amend the responses contained herein.

Respectfully submitted,

JACKSON WALKER L.L.P.

By: 

Leonard Dougal - State Bar No. 06031400
Ali Abazari - State Bar No. 00796094
Mallory Beck - State Bar No. 24073899
100 Congress, Suite 1100
Austin, Texas 78701
E: ldougal@jw.com
T: (512) 236 2000
F: (512) 391-2112

ATTORNEYS FOR COMPLAINANTS
KER-SEVA, LTD., ADC WEST RIDGE L.P.,
AND CENTER FOR HOUSING
RESOURCES, INC.

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document was served as shown below on
this 16th day of September 2016:

Art Rodriguez
Russell & Rodriguez, L.L.P.
1633 Williams Dr., Bldg. 2, Suite 200
Georgetown, Texas 78268
T: (512) 930-1317
F: (866) 929-1641
arodriguez@txadminlaw.com
Attorney for City of Frisco

Via email

Sam Chang
Attorney – Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
sam.change@puc.texas.gov
Attorney for Public Utility Commission of Texas

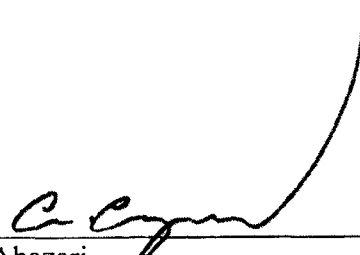
Via email

William G. Newchurch
Administrative Law Judge
State Office of Administrative Hearings
300 West 15th St., Suite 502
Austin, Texas 78701
(512) 475-4993
(512) 322-2061- Fax

Via Facsimile (512) 322-2061

Meitra Farhadi
Administrative Law Judge
State Office of Administrative Hearings
300 West 15th St., Suite 502
Austin, Texas 78701
(512) 475-4993
(512) 322-2061- Fax

Via Facsimile (512) 322-2061



Ali Abazari

REQUESTS FOR DISCLOSURE

Request 194.2(f): For any testifying expert: (1) the expert's name, address, and telephone number; (2) the subject matter on which the expert will testify; (3) the general substance of the expert's mental impressions and opinions and a brief summary of the basis for them, or if the expert is not retained by, employed by, or otherwise subject to the control of the responding party, documents reflecting such information; (4) if the expert is retained by, employed by, or otherwise subject to the control of the responding party: (A) all documents, tangible things, reports, models, or data compilations that have been provided to, reviewed by, or prepared by or for the expert in anticipation of the expert's testimony; and (B) the expert's current resume and bibliography.

Response:

Levi Wild, P.E.
Sanchez & Associates
c/o Ali Abazari
Jackson Walker, L.L.P.
100 Congress Ave., Suite 1100
Austin, Texas 78701
T: (512) 236-2000

Levi Wild is a licensed professional engineer in the State of Texas. Mr. Wild has experience assessing the water and sewer capacity impact of multi-family, residential, and commercial developments to municipal water and sewer systems. Mr. Wild has worked with the City of Frisco in the planning and preparation of other developments within the City of Frisco's water and sewer CCNs.

Mr. Wild may provide expert testimony regarding the potential impact of Complainants' proposed development on the utility systems of the City of McKinney and the City of Frisco. Mr. Wild's opinions include that there is sufficient capacity within an existing sewer line along Westridge Boulevard to serve Complainants' proposed development and that connecting to the City of Frisco's water and sewer infrastructure as proposed by the City of Frisco is not reasonable or necessary. Mr. Wild may conduct additional reviews and form additional opinions; Complainants will supplement this response if it becomes necessary. In addition, Mr. Wild may provide rebuttal expert testimony, if necessary.

Complainants enclose herein as Exhibit "A" a copy of Mr. Wild's current resume and as Exhibit "B" bates-labeled documents which have been provided to, reviewed by, or prepared by or for Mr. Wild in anticipation of his testimony. Discovery is ongoing, and Complainants will supplement this response as required.

Perry Steger, P.E.
Steger Bizzell
c/o Ali Abazari
Jackson Walker, L.L.P.
100 Congress Ave., Suite 1100
Austin, Texas 78701
T: (512) 236-2000

Mr. Steger is a licensed professional engineer in the State of Texas. Mr. Steger received his Bachelor of Science in Civil Engineering from the University of Texas at Austin. Mr. Steger has over 30 years of experience as an engineer and has served as the President of Steger Bizzell Engineering for more than 10 years. In his role at Steger Bizzell, Mr. Steger has performed engineering design services for numerous public entities. Mr. Steger has experience in utility design, consulting, and planning for water and sewer utilities, including municipalities and provides engineering design and planning advice for water and sewer infrastructure projects, including for municipalities.

Mr. Steger will provide expert testimony regarding the City of Frisco's water and sewer utility systems and the impact on those systems of the addition of Complainants' proposed development. It is anticipated that Mr. Steger will review possible avenues to connect Complainants' proposed development to the City of Frisco's water and sewer infrastructure and will provide expert opinions regarding the City of Frisco's proposals for such connections. Mr. Steger's mental impressions and opinions have not yet been formed, and Complainants will supplement this response once Mr. Steger has completed his reviews. In addition, Mr. Steger may provide rebuttal expert testimony, if necessary.

Complainants enclose herein as Exhibit "C" a copy of Mr. Steger's current resume. Discovery is ongoing, and Complainants will supplement this response as required.

Jack Stowe
NewGen Strategies & Solutions
c/o Ali Abazari
100 Congress Ave., Suite 1100
Austin, Texas 78701
T: (512) 236-2000

Jack Stowe is the Director of the Environmental Practice at NewGen Strategies & Solutions. Mr. Stowe has extensive experience conducting rate studies and rate analyses in relation to determining appropriate water and sewer utility rates before the Public Utility Commission of Texas, contract negotiation support relating to utility services, and feasibility studies. Mr. Stowe is aware of the process for obtaining water and sewer service from municipalities and other water and sewer service providers.

Mr. Stowe may provide expert testimony as to whether City of Frisco's actions as related to provision of utility services have been discriminatory. It is anticipated that Mr. Stowe will review evidence of the City of Frisco's treatment of Complainants and the application of the City

of Frisco's requirements for obtaining water and sewer service on Complainants and will compare this treatment with the treatment of proposed developments by other water and sewer utility providers, other municipalities, and/or the City of Frisco. Mr. Stowe's mental impressions and opinions have not yet been formed, and Complainants will supplement this response once Mr. Stowe has completed his reviews. In addition, Mr. Stowe may provide rebuttal expert testimony, if necessary.

Complainants enclose herein as Exhibit "D" a copy of Mr. Stowe's current resume. Discovery is ongoing, and Complainants will supplement this response as required.

EXHIBIT "A"

Levi A. Wild, P.E.

McKinney, Texas

2000 N. MacDonald Street

McKinney, Texas 75071

(469) 424-5900

Levi.Wild@thesanchezgroup.biz

Summary of Qualifications:

10 years experience in site development Civil Engineering and Land Development Consulting.

Education:

*Bachelor of Science in Civil Engineering,
Southern Methodist University, 2006*

Licensure:

State of Texas Professional Engineer

Professional Experience:

Sanchez & Associates, L.L.C.

January 2014 - Present

President

Lead a land development consulting team in the Dallas-Ft. Worth Metroplex. S&A provides entitlement consulting and civil engineering services. Individual responsibilities include design of land development projects ranging from 1 acre to 2,000 acres as well as overall leadership for business growth including recruiting new clients, marketing, managing financial status, and recruiting key staff.

Sanchez & Associates, L.L.C.

2009-2014

Civil Engineer

Acted as project manager for land development projects in Sherman, Prosper, McKinney, Dallas, Henderson County, and Denton. Responsibilities include preparation of land plans, opinions of probable costs, plats and civil engineering Construction Drawings.

Sanchez & Associates, L.L.C.

2006-2009

Intern/Designer

Performed design of civil engineering construction documents for land development projects. Designed storm sewer, paving, sanitary sewer, erosion control, detention, water, and wastewater infrastructure.

Kimley-Horn and Associates, Inc

2006

Intern

Assisted in design of civil engineering construction documents for land development projects.

Jones and Carter, Inc

2004 - 2005

Intern

Assisted in design of civil engineering construction documents for land development projects. Assisted field-crews for surveying of various properties in preparation for design of civil construction documents for land development projects.

Projects of Interest

Trammell Crow McKinney Ranch Alexan

Long Cove

SteepleChase Multi-Family

Mahard Parkway

Barcelona Single Family

Millennium McKinney

Post Oak Apartments

RaceTrac (Various Sites)

Greenhaven Apartments.

Greystar McKinney Ranch (now called Raleigh House)
Collin Regional Waste Center Type IV Landfill

<p>Project No. 02-21001</p> <p>Sanitary Sewer Basin Study</p> <p>West Ridge</p> <p>Exhibit</p>	<p>Scale: 1" = 100'</p> <p>Drawn by: [Name]</p> <p>Checked by: [Name]</p> <p>Date: 1/1/01</p> <p>Project No. 02-21001</p>	<p>Sanitary Sewer Basin Study</p> <p>West Ridge</p> <p>Exhibit</p>
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EXHIBIT "C"

Perry C. Steger, President

Education B.S., Civil Engineering, 1984, University of Texas at Austin

Licenses Registered Professional Engineer (No. 65772), State of Texas
Private pilot with instrument rating

History President, Steger Bizzell Engineering, Georgetown, Texas (2003 to Present)
Steger Bizzell is a professional engineering design firm that specializes in public works projects for governmental entities. The firm has transportation and utility departments.

Board of Trustees, Longleaf Partners Mutual Funds (1998 to Present)
The fund complex consists of four mutual funds with \$9B in total assets. Steger currently serves as Chairman of the Board.

Director of Product Strategy, National Instruments, Austin, Texas (1996-2003)
National Instruments is a global supplier of industrial automation and test and measurement hardware and software. Steger served as a key technical advisor during his seven-year tenure. In 1996, National Instruments acquired Georgetown Systems, an industrial automation software company founded by Steger.

Key Projects Direct Filtration Membrane Water Plant, Stillhouse Hollow, Kempner WSC
12-mile 36" Transmission Main from WTP to SH195 Pump Station, Kempner
SH195 Pump Station Improvements, Kempner WSC
Northeast Pump Station, Kempner WSC
ER Pump Station, Aqua WSC
Highview Pump Station, Aqua WSC
S and TU Pump Station Renovations, Aqua WSC
Temple Dane Pump Station Renovation, Mustang SUD
Capital Improvement Plans for Aqua WSC, Kempner WSC, Jonah Water SUD
McDade Water Treatment Plant, Aqua WSC
Mustang Creek and Circleville Pump Stations, Jonah Water SUD
MD Anderson Cancer Research Center Water Treatment Plant, Smithville, TX
Camp Swift Water Treatment Plant Renovations, Aqua WSC

Relevant Skills HEC-1, HEC-2, EPANET, WaterGEMS, ArcGIS, VBA, C++

Patents US Patent 6411987. Jun 25, 2002. Industrial automation system and method having efficient network communication.

US Patent 6505247. Jan 7, 2003. Industrial automation system and method for efficiently transferring time-sensitive and quality-sensitive data.

US Patent 6823283. Nov 23, 2004. Measurement system including a programmable hardware element and measurement modules that convey interface information.

US Patent 7165005. Jan 16, 2007. Measurement module interface protocol database and registration system.

US Patent Application 12/571895. Jul 27, 2010. Controlling Pumps for Improved Energy Efficiency.

EXHIBIT "D"



Jack E. Stowe, Jr.
Director, Environmental Practice
jstowe@newgenstrategies.net

Jack Stowe's Public Sector consulting career began in 1975. His experience is highlighted by the major roles he has fulfilled in serving public sector entities to achieve major cost savings through contract negotiations for services and implementation of organizational and operational enhancements. His experience encompasses utility ratemaking under federal, state and municipal jurisdictions, as well as significant experience in the following areas:

- Organization and operations for investor owned utilities and municipal utilities
- Financial projections and operating system requirements
- Contract Negotiations
- Breach of Franchise Agreements
- Economic Feasibility Studies

His career includes nine years in a "big-eight" public accounting and consulting firm where he held the title of Manager at the time of his resignation. After serving as Chief Financial Officer and Treasurer of an International Real Estate firm, Mr. Stowe founded Aries Resource Management as a consulting group dedicated to serving the public sector. In 1986, Aries Resource Management entered into a partnership agreement with Reed Municipal Services, Inc., to form Reed-Stowe & Co. The company was subsequently acquired by R. W. Beck, Inc. During his tenure with R.W. Beck, Mr. Stowe served as the Local Practice Leader for the Firm's Utility Services Practice - Gulf Coast Region. In March 2008, Mr. Stowe founded J. Stowe & Co. which became NewGen Strategies & Solutions in 2012.

EDUCATION

- Bachelor of Arts in Accounting, North Texas State University

PROFESSIONAL AFFILIATIONS

- Texas Water Conservation Association (TWCA)
- American Water Works Association (AWWA)

RELEVANT EXPERIENCE

Cost of Service and Rate Design – Water and Wastewater

Mr. Stowe conducts reviews of cost of service and rate design practices for various water and wastewater utilities. He is knowledgeable in cost allocation theories and has developed cost of service unbundling of utility functions. He calculates revenue requirements over multiple year planning horizons, ensuring the utility's ability to meet its debt service and coverage requirements and providing results that are reliable and defensible. Mr. Stowe frequently presents study findings and recommendations to utility management, boards, city councils, and other governing bodies. The following is a sample list of clients for whom Mr. Stowe has performed water and/or wastewater cost of service, customer class cost allocation, and/or rate design study, including wholesale, clients.

- | | |
|------------------------------------------|-------------------------------------------|
| ▪ City of Arlington, Texas | ▪ Kempner Water Supply Corporation, Texas |
| ▪ Argyle Water Supply Corporation, Texas | ▪ City of Kilgore, Texas |
| ▪ Barton Creek Lakeside, Texas | ▪ City of Knollwood, Texas |
| ▪ City of Bellaire, Texas | ▪ City of Lewisville, Texas |
| ▪ City of Borger, Texas | ▪ City of Lubbock, Texas |

Jack E. Stowe, Jr.

Director, Environmental Practice

- Cameron County Fresh Water Supply, District No.1, Texas
- City of Celina, Texas
- City of Copperas Cove, Texas
- City of Corsicana, Texas
- Dallas Water Utilities, Texas
- City of Denton, Texas
- Devers Canal System, Texas
- El Oso Water Supply Corporation, Texas
- City of Farmers Branch, Texas
- City of Ft. Worth, Texas
- City of Georgetown, Texas
- City of Gilmer, Texas
- City of Glenn Heights, Texas
- City of Grapevine, Texas
- City of Hobbs, New Mexico
- City of Kaufman, Texas
- City of Mesquite, Texas
- City of Midlothian, Texas
- Montgomery County Municipal Utility District, Texas
- City of North Myrtle Beach, South Carolina
- City of North Richland Hills, Texas
- City of Paris, Texas
- City of Richmond, Virginia
- Rockett Special Utility District, Texas
- City of Rowlett, Texas
- City of Sachse, Texas
- City of Sanger, Texas
- Tarrant Regional Water District, Texas
- United Irrigation District, Texas
- City of Weatherford, Texas
- City of Westminster, Colorado
- City of Wylie, Texas

Cost of Service and Rate Design – Public Service Commissions

Specifically, Mr. Stowe has conducted and supervised analyses of rate base, operating income, rate of return, revenue requirements, fully allocated cost of service and rate design for rate case proceedings under state or local jurisdictions. The various jurisdictions Mr. Stowe has performed consulting services in are as follows:

- Arizona Corporation Commission
- Federal Energy Regulatory Commission
- Illinois Commerce Commission
- Kentucky Public Service Commission
- Mississippi Public Service Commission
- New Mexico Public Service Commission
- Oklahoma Corporation Commission
- Public Utility Commission of Texas
- Railroad Commission of Texas
- Texas Commission of Environmental Quality
- Utah Public Service Commission
- Wyoming Public Service Commission

Valuation Analysis - Water

Mr. Stowe has also been actively involved in water utility system valuation, with the results of the valuations serving as the foundation for the sale or transfer of ownership for the utilities or the donation of the assets in accordance with Section 170 of the Internal Revenue Service Code of 1986. He has performed such studies for the following entities:

- RCH Water Supply Corporation, Texas
- Kelly Air Force Base, Texas
- Walker County Water Supply Corporation, Texas
- Liberty City Water Supply Corporation, Texas
- Royse City, Texas / BHP Water Supply Corporation
- Wood Wind Water System, LLC Oakland County, Michigan

Jack E. Stowe, Jr.

Director, Environmental Practice

- Johnson County Water Supply Corporation, Texas
- Oakland Explorations Water System, LLC Oakland County, Michigan
- High Point Water Supply Corporation, Texas

Contract Negotiations Support

Mr. Stowe has provided contract negotiation support for a variety of entities. He supported raw water contract negotiations between a water district and a city and represented a group of 21 customer cities in a detailed wastewater cost of service study that provided the foundation for contract renewal negotiations with their wholesale provider. Mr. Stowe has also participated in negotiations of operation, maintenance and management privatization/outsourcing contracts.

Additionally, he supported a city in its acquisition of the street lighting system from the incumbent provider, which was consummated after a six-month study and purchase negotiation. Purchase pay back was achieved within three years with annual operating cost reduction currently accruing at the annual rate of approximately \$700,000.

Mr. Stowe's negotiation support clients include:

- City of Arlington and Texas Electric Service Company, Texas
- City of Arlington and the Tarrant County Water Improvement District No. 1 (now Tarrant Regional Water District), Texas
- Red River Redevelopment Authority, Texas
- Wastewater service contract negotiations between the Customer Cities and the City of Fort Worth, Texas
- Southwest Division of United States Navy

Load Aggregation

assisted a client in the electric load aggregation of its 15 members. This effort has resulted in the release of a Request For Bid on approximately 800,000,000 kWh brought to market. His projects include:

- TWCA-USA, Inc.

Financial Projections

Mr. Stowe assisted clients in examining the financing alternatives, obtaining state funding, and establishing the cost allocation methodology associated with the \$1.9 billion pipeline project. Mr. Stowe also performed a comprehensive examination of the impact of energy costs on the proposed project alternatives, including developing a forecasting model of electricity costs through 2060. He also developed an impact fee econometric model used by the municipal clients to calculate the maximum allowable fee under S.B. 336. Mr. Stowe was also responsible for the development and implementation of administrative procedures and systems modifications enabling these Cities to comply with the monitoring requirements of S.B. 336. His financial projections clients include:

- Dallas Water Utilities and Tarrant Regional Water District, Texas
- Cities of North Richland Hills, Grapevine, Lewisville and Wylie, Texas

Feasibility Study

Mr. Stowe performed an economic feasibility study for a municipal client for alternative wastewater diversion. The study provided a twenty-year projected population growth within defined service areas, discharge characteristics, and related capital improvement requirements for each alternative. He also assisted a group of clients in assessing the feasibility and economic impact of a water supply project, which proposed to supply at least 600,000 acre-feet of raw water to the area. His clients include:

- City of Arlington, Texas
- Dallas Water Utilities, North Texas Municipal Water District, Sabine River Authority of Texas, and Tarrant Regional Water District, Texas

Jack E. Stowe, Jr.

Director, Environmental Practice

Other utility company clients served by Mr. Stowe are presented below. Mr. Stowe has conducted numerous engagements during his career for many of these clients.

- Arkansas-Oklahoma Gas Corporation, Arkansas
- Arizona Public Service, Arizona
- Central Power & Light (now AEP), Texas
- Canadian River Municipal Water Authority, Texas
- Denton County Electric Cooperative (now CoServ), Texas
- Detroit Edison, Michigan
- Gulf States Utilities (now Entergy), Texas
- Houston Lighting & Power (now Reliant), Texas
- Indianapolis Power & Light, Indiana
- Kentucky Power & Light, Kentucky
- Lake Dallas Telephone Company, Texas
- Lower Colorado River Authority, Texas
- Lone Star Gas Company (now ATMOS), Texas
- Magnolia Gas, Mississippi Mississippi Power & Light, Mississippi
- Mojave Electric Cooperative, Arizona
- Southwest Electric Service Company (now TXU), Texas
- Southwestern Public Service Company, Texas
- San Miguel Electric Cooperative, Texas
- Texas Electric Service Company (now TXU), Texas
- Texas-New Mexico Power Company, Texas
- Texas Power & Light (now TXU), Texas
- Tucson Gas & Electric, Arizona
- Utah Power & Light, Utah
- West Texas Utilities (now AEP), Texas

PRESENTATIONS AND PUBLICATIONS

Mr. Stowe has given numerous presentations and participated in training and workshops in several states. These activities have focused on cost of service, ratemaking, and competitive issues. Host organizations and the topics Mr. Stowe presented on or published information are displayed below.

In addition, Mr. Stowe authored the "" on behalf of the Texas Water Development Board. This study analyzes and presents the status of privatization of water utility operations within the State of Texas contrasted against national activity. Also for the Texas Water Development Board, Mr. Stowe authored the study titled ""

Texas Water Development Board

Report - *Market Strategies for Improved Service by Water Utilities*

Study - *Socioeconomic Impact of Interbasin Transfers in Texas*

Texas Rural Water Association

- *SBI Deregulation 101*
- *Innovative Financing for Water and Wastewater Utilities*
- *Encroachment Issues: Your Service Area is Worth How Much*
- *Allocating the Costs of Population Growth in Wholesale Water Contracts*

Jack E. Stowe, Jr.

Director, Environmental Practice

Water Environmental Association of Texas

- *Rate Alternative Funding for Capital Improvements*
- *Construction Management and Financing Alternatives*

Texas Water Conservation Association

- *The Benefits of Electric Aggregation*
- *Water Retail Wholesale Ratemaking*
- *The Rate Impact of Water Conservation Pricing*
- *Management Audits*
- *SBI Deregulation 101*

American Association of Water Board Directors

- *Ins and Outs of Rate Making*

Texas Natural Resource Conservation Commission

- *Solid Waste Full Cost Accounting*

Texas Association of City Managers

- *The Impact of Senate Bill No. 336*

Government Financial Officers Association of Texas Newsletter

- *A New Challenge for Municipal Gas Regulation*
- *Impact of Senate Bill 336" (Assessment of Developer Impact Fees)*
- *The Case of the Vanishing Gross Receipts Tax*
- *Street Lighting Cost Reduction Through Municipal Ownership*

Texas Government Financial Officers Association

- *The Impact of Senate Bill No. 336*

Texas Chapter of the Public Works Association

- *Electric Deregulation in Texas*

Texas Institute of Traffic Engineers

- *Street Lighting Cost Reduction, a Game Plan for the 80's*