



Control Number: 46662



Item Number: 405

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SOAH DOCKET NO. 473-17-4964.WS  
PUC DOCKET NO. 46662

2019 JUN 14 PM 2:15

PETITION OF THE CITIES OF §  
GARLAND, MESQUITE, PLANO AND § BEFORE THE STATE OFFICE  
RICHARDSON APPEALING THE §  
DECISION BY NORTH TEXAS § OF  
MUNICIPAL WATER DISTRICT §  
AFFECTING WHOLESALE WATER § ADMINISTRATIVE HEARINGS  
RATES §

**NORTH TEXAS MUNICIPAL WATER DISTRICT'S SECOND SUPPLEMENTAL  
RESPONSE TO PETITIONING CITIES' FOURTH REQUEST  
FOR INFORMATION AND REQUEST FOR RULE 194 DISCLOSURES**

North Texas Municipal Water District ("NTMWD" or the "District") files this second supplemental response to the aforementioned request for information and request for disclosures.

**I. WRITTEN RESPONSES**

Attached hereto and incorporated herein by reference is NTMWD's written supplemental response to the aforementioned request for information and request for disclosures. Each such supplemental response is set forth on or attached to a separate page upon which the request has been restated. Such supplemental response is also made without waiver of NTMWD's right to contest the admissibility of any such matters upon hearing. NTMWD hereby stipulates that its supplemental response may be treated by all parties exactly as if it was filed under oath.

**II. INSPECTIONS**

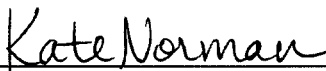
In those instances where materials are to be made available for inspection by request or in lieu of a written response, the attached response will so state.

405

Respectfully submitted,

Lauren J. Kalisek  
State Bar No. 00794063  
James T. Aldredge  
State Bar No. 24058514  
**LLOYD GOSSELINK ROCHELLE  
& TOWNSEND, P.C.**  
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Austin, Texas 78701  
(512) 322-5800  
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jaldredge@lglawfirm.com

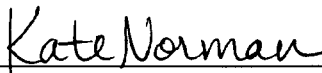
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\_\_\_\_\_  
Kate Norman  
State Bar No. 24051121  
Gene Montes  
State Bar No. 14284400

**ATTORNEYS FOR NORTH TEXAS  
MUNICIPAL WATER DISTRICT**

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copy of the foregoing document has been served on all parties of record on June 14, 2018 in accordance with 16 Tex. Admin. Code § 22.74.

  
\_\_\_\_\_  
Kate Norman

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**NTMWD's Response to Cities Fourth RFI and  
Request for Rule 194 Disclosures**

**CITIES 4-1 (SECOND SUPPLEMENTAL)**

**Pursuant to Rule 194, please disclose the information or material described in the following subsections of Rule 194.2:**

- (c) the legal theories and, in general, the factual bases of the responding party's claims or defenses;**
- (e) the name, address, and telephone number of persons having knowledge of relevant facts, and a brief statement of each identified person's connection with the case;**
- (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;**
- (i) any witness statements described in Texas Rule of Civil Procedure 192.3(h).**

**Second Supplemental Response:**

(c) Jack Stowe references the Proposal for Decision in SOAH Docket No. 582-10-1944; Docket No. 2009-1925-UCR; *Appeal of Navarro County Wholesale Ratepayers to Review the Wholesale Rate Increase Imposed by the City of Corsicana, Certificate of Convenience and Necessity No. 10776 in Navarro County* in his testimony. It is publicly available at [https://www.tceq.texas.gov/assets/public/comm\\_exec/agendas/comm/backup/Proposal-for-Decision/2009-1925-UCR-pfd.pdf](https://www.tceq.texas.gov/assets/public/comm_exec/agendas/comm/backup/Proposal-for-Decision/2009-1925-UCR-pfd.pdf).

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**NTMWD's Response to Cities Fourth RFI and  
Request for Rule 194 Disclosures**

**CITIES 4-1 (second supplemental cont'd)**

**Supplemental Response:**

(f)(4)(A) Please see the voluminous workpapers of Chris Ekrut, Carlos Rubinstein and Thomas C. Gooch filed on February 5, 2018 for additional documents responsive to this request.

(f)(4)(B) Please see the attached testifying resume of Jack Stowe, which supplements Mr. Stowe's resume previously provided in response to this question. The District will also provide this version of Mr. Stowe's testifying resume as an errata to Exhibit JES-2 filed with Mr. Stowe's direct testimony.

**Response:**

(c) The protested rate does not adversely affect the public interest under Commission Rule 24.133. The Commission should issue a final order denying the petition. The factual bases for these claims will be detailed in the pre-filed direct testimonies of Tom Kula, Judd Sanderson, and Mike Rickman, which will be filed on February 5, 2018.

(e) The following persons have knowledge of relevant facts:

Tom Kula  
Executive Director of the North Texas Municipal Water District

Judd Sanderson, CPA  
Deputy Director – Personnel and Finance, North Texas Municipal Water District

Mike Rickman  
Deputy Director – Operations and Maintenance, North Texas Municipal Water District

Joe Stankiewicz  
Deputy Director – Engineering and Capital Improvement Program, North Texas Municipal Water District

All Members of the District's Board of Directors:

Joe Farmer– Allen

James Kerr– Allen

Wayne May– Farmersville

Darrell Grooms– Forney

Richard Peasley– Frisco

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**CITIES 4-1 (second supplemental cont'd)**

Lynn Shuyler– Frisco	Bill Glass - Princeton
Don Gordon - Garland	Dave Island– Princeton
Jack May– Garland	John Murphy– Richardson
Joe Joplin– McKinney	John Sweeden– Richardson
Charles McKissick– McKinney	Bill Lofland - Rockwall
Terry Sam Anderson - Mesquite	Larry Parks - Rockwall
David Paschall– Mesquite	David Hollifield– Royse City
Phil Dyer– Plano	Marvin Fuller - Wylie
Rod Hogan– Plano	Robert Thurmond – Wylie

Each of the preceding persons can be contacted at the following location:

501 East Brown Street  
Wylie, TX 75098  
Telephone: 972-442-5405

Alan Raynor  
717 North Harwood  
Suite 900  
Dallas, Texas 75201  
Telephone: 213-754-9200

Mr. Raynor is an attorney at the McCall Parkhurst & Horton law firm and serves as bond counsel for the North Texas Municipal Water District.

David Medanich  
1201 Elm Street, Suite 3500  
Dallas, Texas 75270  
Telephone: 214-953-4000

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**CITIES 4-1 (second supplemental cont'd)**

Mr. Medanich is Vice Chairman, Head of Public Finance, for Hilltop Securities/FirstSouthwest Asset Management and serves as a financial advisor to the North Texas Municipal Water District.

(f) The District currently intends to offer the testimony from the following experts:

Chris D. Ekrut  
Director, Environmental Practice  
NewGen Strategies and Solutions  
1300 East Lookout Drive #100  
Richardson TX 75082  
Telephone: 972-680-2000

Mr. Ekrut is expected to testify regarding the issues raised relevant to the public interest analysis set out in 16 Tex. Admin. Code § 24.133 (TAC). Specifically, Mr. Ekrut will testify about contentions made regarding the purchaser's ability to continue to provide service to its retail customers based on the purchaser's financial integrity and operational capability. It is anticipated that he will testify regarding allegations that the District has abused its monopoly power. It is also anticipated that he will testify regarding whether the protested rate is unreasonably preferential, prejudicial, or discriminatory, compared to the wholesale rates charged other wholesale customers. The bases for Mr. Ekrut's opinions and mental impressions include his years of experience in the water industry in Texas, experience with wholesale water and retail water providers in Texas, and his experience specifically with the North Texas Municipal Water District. The details of Mr. Ekrut's mental impressions and opinions will be set out in his pre-filed testimony, which will be distributed to the parties on February 5, 2018.

In preparation of his testimony, Mr. Ekrut has reviewed the pre-filed testimony in this case and many of the documents filed in the case and publicly available on the Commission Interchange in Docket No. 46662. Because Mr. Ekrut has begun preparing his testimony, the District expects to provide additional documents responsive to Rule 194.2(f)(4)(A) as he completes and files his testimony. A copy of Mr. Ekrut's resume is attached.

Thomas C. Gooch, P.E.  
Vice President  
Freese and Nichols, Inc.  
4055 International Plaza, Suite 200  
Fort Worth, Texas 76109  
Telephone: 817-735-7300

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**CITIES 4-1 (second supplemental cont'd)**

Mr. Gooch is expected to testify regarding issues raised by the Petitioning Cities' witnesses in direct testimony. Specifically, Mr. Gooch will testify about the District's activities related to regional project planning and water conservation. It is anticipated that he will testify as to misstatements made by Petitioning Cities' witnesses regarding the District's planning for anticipated future demands of the Petitioning Cities. It is also anticipated that he will testify regarding factors that influence municipal water demand, including water conservation and drought contingency planning. The bases for Mr. Gooch's opinions and mental impressions include his many years of experience in the water industry in Texas, including water supply planning, water right permitting, water conservation and drought response planning, reservoir operation studies, water quality evaluations, analyses of flooding, preliminary design and cost estimates for water supply projects and transmission systems, and economic analyses. His experience also includes serving as leader of the consultant team for the Region C Regional Water Planning Group and his specific water planning work for the North Texas Municipal Water District since the 1990s. The details of Mr. Gooch's mental impressions and opinions will be set out in his pre-filed testimony, which will be distributed to the parties on February 5, 2018.

In preparation of his testimony, Mr. Gooch has reviewed the pre-filed testimony in this case and many of the documents filed in the case and publicly available on the Commission Interchange in Docket No. 46662. Because Mr. Gooch has begun preparing his testimony, the District expects to provide additional documents responsive to Rule 194.2(f)(4)(A) as he completes and files his testimony. A copy of Mr. Gooch's resume is attached.

Carlos Rubinstein  
Principal  
RSAH<sub>2</sub>O, LLC  
16238 Ranch Road 620 North, Suite F364  
Austin, Texas 78717  
Telephone: 512-394-8929

Mr. Rubinstein is expected to testify regarding issues raised relevant to the public interest analysis set out in 16 TAC § 24.133 as well as other issues raised by the Petitioning Cities witnesses in direct testimony. Specifically, Mr. Rubinstein will testify regarding prior cases dealing with the application of the public interest criteria outlined in 16 TAC § 24.133. It is anticipated that he will testify as to misstatements made by Petitioning Cities' witnesses regarding certain public interest criteria and factors. It is also anticipated that he will testify regarding how state and regional water planning considerations, as well as water conservation and drought contingency planning considerations, impact a public interest analysis under 16 TAC § 24.133. The bases for Mr. Rubinstein's opinions and mental impressions include his experience serving as chairman of the Texas Water Development



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**CITIES 4-1 (second supplemental cont'd)**

Board ("TWDB"), commissioner of the Texas Commission on Environmental Quality ("TCEQ"), the TCEQ's Rio Grande Watermaster, and City Manager for the City of Brownsville. More specifically, Mr. Rubinstein will base his opinions and mental impressions, in part, on his personal experience administering the public interest criteria set out in 16 TAC § 24.133 during his time as a TCEQ Commissioner. The details of Mr. Rubinstein's mental impressions and opinions will be set out in his pre-filed testimony, which will be distributed to the parties on February 5, 2018.

In preparation of his testimony, Mr. Rubinstein has reviewed the pre-filed testimony in this case and many of the documents filed in the case and publicly available on the Commission Interchange in Docket No. 46662. Because Mr. Rubinstein has begun preparing his testimony, the District expects to provide additional documents responsive to Rule 194.2(f)(4)(A) as he completes and files his testimony. A copy of Mr. Rubinstein's resume is attached.

Jack E. Stowe, Jr.  
Executive Consultant  
NewGen Strategies and Solutions, LLC  
3409 Executive Center Drive, Suite 128  
Austin, Texas 78731

Mr. Stowe is expected to testify regarding issues raised relevant to the public interest analysis set out in 16 TAC § 24.133. Specifically, Mr. Stowe will testify about the relevance of the District's ability to continue to provide service based on its financial integrity or operational capacity. It is anticipated that he will testify on contentions made regarding the purchaser's ability to continue to provide service to its retail customers based on the purchaser's financial integrity and operational capability. It is anticipated that he will testify regarding allegations that the District has abused its monopoly power. It is also anticipated that he will testify regarding whether the protested rate is unreasonably preferential, prejudicial, or discriminatory, compared to the wholesale rates charged other wholesale customers. The bases for Mr. Stowe's opinions and mental impressions include his decades of experience in the water and electric regulatory industries in Texas, experience with wholesale water and retail water providers in Texas, and his experience specifically with the North Texas Municipal Water District. The details of Mr. Stowe's mental impressions and opinions will be set out in his pre-filed testimony, which will be distributed to the parties on February 5, 2018.

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**CITIES 4-1 (second supplemental cont'd)**

In preparation of his testimony, Mr. Stowe has reviewed the pre-filed testimony in this case and many of the documents filed in the case and publicly available on the Commission Interchange in Docket No. 46662. Because Mr. Stowe has begun preparing his testimony, the District expects to provide additional documents responsive to Rule 194.2(f)(4)(A) as he completes and files his testimony. A copy of Mr. Stowe's resume is attached.

- (i) The District is unaware of any witness statements at this time.

Preparer: Counsel for NTMWD