



## Filing Receipt

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**Control Number - 52532**

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**DOCKET NO. 52532**

<b>PETITION OF E REAL ESTATE, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>TO AMEND MARILEE SPECIAL</b>	<b>§</b>	
<b>UTILITY DISTRICT'S CERTIFICATE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>OF CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>IN COLLIN COUNTY BY EXPEDITED</b>	<b>§</b>	
<b>RELEASE (TRACT 3)</b>	<b>§</b>	

**COMMISSION STAFF'S SUBMISSION OF APPRAISAL REPORT**

The Staff (Staff) of the Public Utility Commission of Texas (Commission) respectfully submits the attached appraisal report of the Commission-appointed appraiser, pursuant to Texas Water Code § 13.2541(i) and 16 Texas Administrative Code (TAC) § 25.245(i)(2)(B). Order No. 5 in this proceeding provided that this appraisal report was due to be filed within 100 days after the Commission approved the streamlined expedited release. The Commission approved the streamlined expedited release on October 20, 2022. Therefore, this pleading is timely filed.<sup>1</sup>

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<sup>1</sup> 100 days after October 20, 2022 is January 28, 2023, which is a Saturday. Therefore, the deadline moves to the next day the Commission is open for business, in accordance with to 16 TAC § 22.4(a).

Dated: January 30, 2023

Respectfully submitted,

**PUBLIC UTILITY COMMISSION OF TEXAS  
LEGAL DIVISION**

Keith Rogas  
Division Director

Sneha Patel  
Managing Attorney

/s/ Scott Miles  
Scott Miles  
State Bar No. 24098103  
1701 N. Congress Avenue  
P.O. Box 13326  
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(512) 936-7268 (facsimile)  
Scott.Miles@puc.texas.gov

**DOCKET NO. 52532**

**CERTIFICATE OF SERVICE**

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on January 30, 2023 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Scott Miles  
Scott Miles

**Public Utility Commission of Texas**  
**Docket #52532**

**Compensation Determination for  
the Decertification of a Portion of  
Marilee Special Utility District's  
Certificate of Convenience and  
Necessity**

**CCN No. 10150**

**January 30, 2023**

January 30, 2023

Mr. Scott Miles  
Attorney-Legal Division  
Public Utility Commission of Texas  
1701 N. Congress Ave,  
Austin, TX 78701

**Subject: Compensation Determination for the Decertification of a Portion of CCN No. 10150**

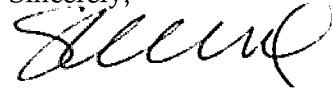
Dear Mr. Miles:

At your request, Raftelis has prepared a compensation determination for the decertification of a portion of Certificate of Convenience and Necessity (“CCN”) No. 10150 serving portions of the Marilee Special Utility District (“Marilee SUD” or “District”) and in relation to the Petition of E Real Estate, LLC to amend the Marilee SUD’s CCN by Expedited Release (Docket No. 52532). This compensation determination was completed for this specific purpose and the resulting conclusion should not be used for any other purpose or by any other party for any purpose.

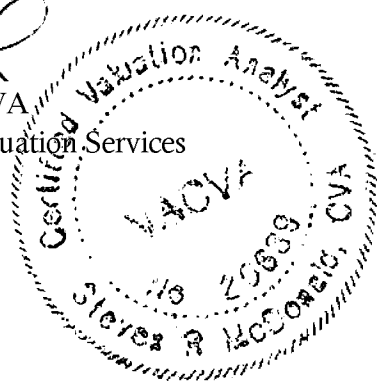
This report is intended to comply with a set of standards set forth by the Appraisal Foundation in its 2020-21 Uniform Standards of Professional Appraisal Practice<sup>1</sup> (“USPAP”). Consistent with USPAP, this report presents a summary discussion of the data, reasoning, and analyses that were used in the process to prepare the compensation determination. Additional supporting documentation is retained in our project file. The depth of discussion and information provided in this report is specific to the intended use stated above.

It has been a pleasure working with you, and we thank you for the support provided during the course of this work.

Sincerely,



Steven McDonald, CVA  
Chief Economist/ Valuation Services



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<sup>1</sup> The Appraisal Standards Board voted on August 11, 2022, to extend the effective date of the current 2020-21 USPAP through December 31, 2023.

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# Introduction

## Background

The Marilee Special Utility District (“SUD”) is located in northeastern Collin County and southwestern Grayson County. The District gets its water supplies from treated water purchased from the City of Sherman and from the Trinity aquifer. In November 2021, the Marilee SUD merged with the Mustang SUD, a wholesale water provider located in northeastern Denton County and Grayson County.<sup>2</sup>

On September 8, 2021, E Real Estate, LLC filed a petition with the Public Utility Commission of Texas (“PUCT”) to amend Marilee SUD’s CCN for streamlined expedited release. The subject area is located in Collin County, Texas and extends approximately 146.75 acres of land as shown in Figure 1. The petition was filed under Docket No. 52532 in accordance with Texas Water Code § 13.2541.

The Commission ordered the release of the tract of land from Marilee SUD’s service area and amended CCN 10150 to reflect as such under the following conditions<sup>3</sup>:

- Procedural documents have been submitted in a timely manner by both parties;
- Collin County is a qualifying county under TWC § 13.2541 (b) and 16 TAC § 24.245(h);
- The tract of land is at least 25 acres;
- Tract of land is not receiving water service under TWC § 13.2541 and 16 TAC § 13.2541;
  - Petitioner has not requested that the CCN holder provide water service;
  - Petitioner has not paid any charges or fees to the CCN holder to initiate or maintain water service;
  - CCN holder has not committed or dedicated any facilities or lines to the tract of land for water service;
  - CCN holder had no facilities or lines that provide water service to the tract of land;
  - CCN holder has not performed any acts for or supplied anything to the tract of land; and
- Petitioner acquired the tract of land by a special warranty deed.

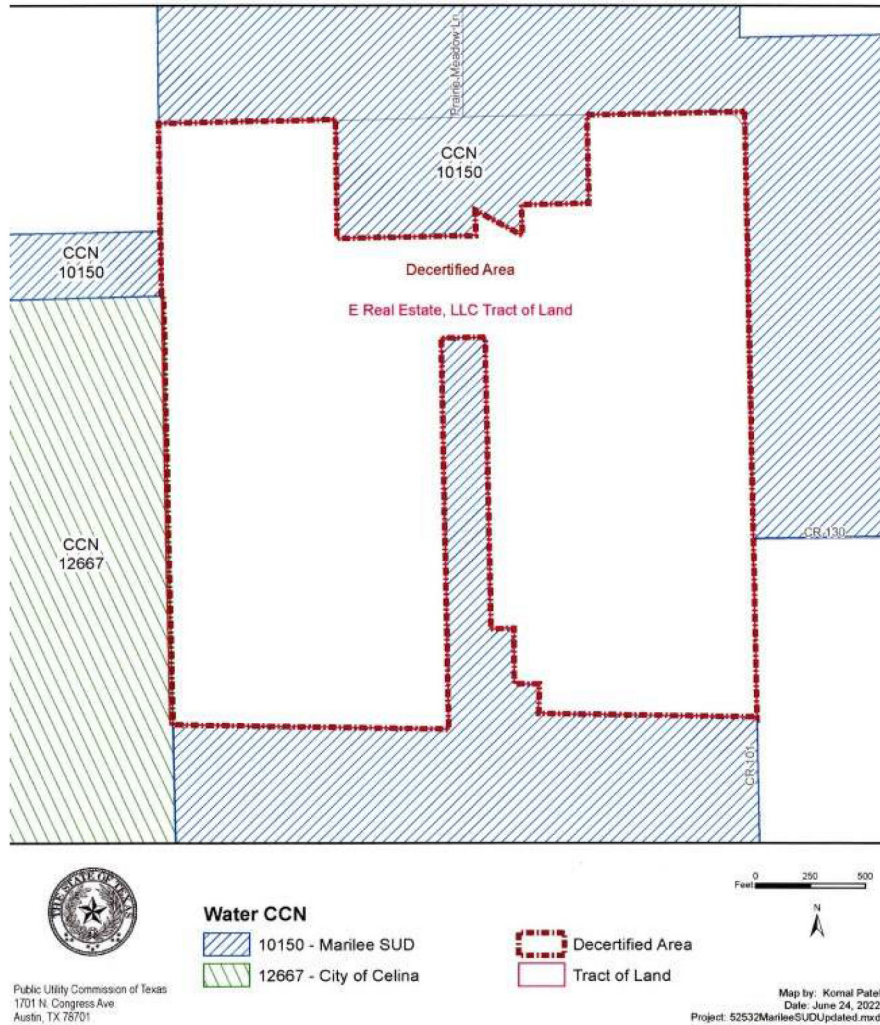
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<sup>2</sup> 2021 Region C Water Plan, November 2020.

<sup>3</sup> Public Utilities Commission of Texas, Docket No. 52532 Order dated October 20, 2022



Figure 1. Map of the Decertified Portion of CCN 10150



## Description of the Assignment

The PUCT engaged Raftelis, as a third-party appraiser for the compensation phase of a Streamlined Expedited Release in Docket No. 52532. Pursuant to Texas Water Code §13.2541 (“TWC” or “Texas Code”). In accordance with the Texas Code, when the landowner and utility cannot come to an agreement as to an appraiser, Staff must select a third appraiser to assess the monetary amount of compensation, if any, that is due to the utility as a result of the release of landowner’s property from its CCN.

Under the Texas Code, the determination made by the appraiser appointed by the Commission may not be less than the lower appraisal or more than the higher appraisal<sup>4</sup>.

<sup>4</sup> This limitation assumes that the initial two appraisals reflect a range of an opinion of value for all independent appraisers and is considered a Jurisdictional Exception.

**Table 1: Description of the Assignment**

<b>Parameter</b>	<b>Description</b>
<b>Subject</b>	Portion of CCN No. 10150 associated 146.75 acres of land in Collin County, Texas
<b>Purpose and Intended Use</b>	Compensation for the decertification of a portion of CCN No. 10150
<b>Type of Engagement</b>	Appraisal
<b>State or Jurisdiction of Incorporation</b>	Texas
<b>Principal Business Location</b>	The CCN is located in Colins County, TX
<b>Business Interest Under Consideration</b>	Portion of CCN No. 10150.
<b>Level of Value and Control</b>	Control, 100% interest and ownership
<b>Effective Date</b>	January 30, 2023

## Jurisdictional Exception

According to Texas Code and the Texas Administrative Code 16 TAC § 24.245(j), the monetary compensation associated with the decertification of a CCN or portion thereof associated with the personal property must be based on the following factors:

1. the amount of the former CCN holder’s debt allocable to service the removed area;
2. the value of the service facilities belonging to the former CCN holder that are located within the removed area;
3. the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area;
4. the amount of the former CCN holder’s contractual obligations allocable to the removed area;
5. any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under 16 TAC § 24.245;
6. the impact on future revenues lost from existing customers;
7. necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC §13.257(r); and
8. any other relevant factors as determined by the commission.

The compensation determination that was completed specifically analyzed these factors and did not consider the potential value of the CCN as an intangible right to serve the area in the future. Complying

with the Texas Code in completing the determination is considered a Jurisdictional Exception, including the limitation of an opinion of value.<sup>5</sup>

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<sup>5</sup> According to USPAP, a Jurisdictional Exception is an assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP.

## Sources of Information

The sources of information that were reviewed, considered, or used to complete the compensation determination included the following:

1. “Compensation Determination for Area Subject to Petition of E Real Estate, LLC To Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (PUC Docket No. 52532)”. Dan V. Jackson, Willdan Financial Services.
2. “Compensation for Decertification of a Portion of Marilee Special Utility District’s Certificate of Convenience and Necessity”, Dated December 29, 2022. Zak Wright, NewGen Strategies & Solutions, LLC.
3. Estimated Water Purchases from the City of Sherman (Provided in previous CCN release docket).
4. Email from Mr. John Carlton of Carlton Law dated January 27, 2023 indicating the use of Marilee SUD Appraisal Invoices for incurred legal expenses.
5. Marilee Special Utility Districts Financial Statements (with Auditors Report Thereon) For the Years Ended December 31, 2020 and 2019.
6. Marilee Special Utility Districts Financial Statements (with Auditors Report Thereon) For the Years Ended December 31, 2019 and 2018.
7. Order associated with the Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collins County by Expedited Release, Docket No. 52532. October 20, 2022.
8. PUCT Docket No. 52532 Filings
9. Resolution No. 2016-005, A Resolution of the Board of Directors of Marilee Special Utility District, Collin County, Texas, Approving the First Renewal and Extension of the Revised Treated Water Sale Agreement By and Between the City of Sherman and Marilee Special Utility District
10. Texas Water Code TAC § 13.2541, Texas Administrative Code 16 TAC § 24.113 and 16 TAC § 24.245.
11. Texas Water Development Board’s 2021 Regional Water Plan.
12. Treated Water Sales Agreement between the Gunter SUD (now Marilee SUD) and the City of Sherman, effective May 30, 2006, as renewed and extended.

## Assumptions and Limiting Conditions

The compensation determination and results presented in this report are subject to the following assumptions and limiting conditions.

1. This report is based upon the limited information provided by PUCT, E Real Estate, LLC, Marilee Special Utility District, New Gen Strategies & Solutions, LLC., Wildan Financial Services, and publicly available information. The information obtained from these sources was assumed to be complete, accurate, and reliable. If any inaccuracies or incomplete information are subsequently discovered, then the conclusions ascribed in this report are subject to change. The use of these data and information is considered an Extraordinary Assumption as defined by USPAP. The use of this Extraordinary Assumption might have affected the assignment results. The appraisal is subject to change based upon the receipt of any additional information.
2. The opinions and conclusions contained in this report are as of the stated effective date, for a specific use and purpose, and made under specific assumptions and limiting conditions. Raftelis makes no representation as to the effect on the subject property of any unforeseen events after the effective date of the appraisal. Any statement in this report involving estimates or matters of opinion, whether or not specifically designated, are intended as such, and not as representation of fact.

# Analysis of Valuation and Compensation Criteria

The monetary compensation associated with the decertification of the CCN was evaluated in accordance with the Texas Code and the Texas Administrative Code 16 TAC § 24.245(j). The factors that were considered and the analysis of each factor are described below:

1. **Factor: the value of the service facilities belonging to the former CCN holder that are located within the removed area;**

## **Evaluation:**

The Commission's Order releasing the CCN specifies that there are three water meters located within E Real Estate's tract of land, however they are not located within the Decertified Area. In addition, it is also stated that there are two water lines (a one-and-a-half-inch and an eight-inch) parallel and just inside the western boundary and one water line (two-inch) parallel and just inside the northern and northeastern boundary of the Decertified Area. The PUCT has determined that these water lines do not provide service to the Decertified Area.<sup>6</sup> Raftelis was not able to find any additional documentation stating otherwise. Therefore, there is no compensation due related to this factor.

2. **Factor: the amount of the former CCN holder's debt allocable to service to the removed area;**

## **Evaluation:**

On August 5, 2010, the Greater Texoma Utility Authority closed on a \$21.23 million bond issue to pay for the cost of 50,000 acre-feet of water storage in Lake Texoma. The Marilee SUD agreed to make payments to GTUA in amounts sufficient to fund its percentage (4 percent) of the total project. The Marilee SUD was originally obligated for \$849,200 and is making annual payments until August 2030.<sup>7</sup> In entering into a long-term agreement with the GTUA for water supply, it is reasonable to assume that the Marilee SUD considered the potential growth associated with its entire CCN in deciding the amount of water rights necessary to secure through the GTUA agreement. However, no information was provided or reviewed by Raftelis to indicate that the Marilee SUD contemplated growth in the decertified area at the time the Marilee SUD committed to the GTUA agreement. On the contrary, the population and demand projections contained in the 2021 Regional Water Plan Report provides an indication that no population growth or additional water demands were contemplated for this area as of 2020.<sup>8</sup> As shown in Table 1, the population projections associated with the portion of the Marilee SUD located in Collin County (where the decertified area is located) shows a projection of no population growth and a relatively flat trend in water demands through 2030, and the projection shows only an anticipated slight population growth in in this portion of the Marilee SUD by 2040.

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<sup>6</sup>Order associated with the Petition of E Real Estate, LLC to Amend Marilee Special Utility District's Certificate of Convenience and Necessity in Collins County by Expedited Release, Docket No. 52532. October 20, 2022, p.4 &5.

<sup>7</sup> Marilee Special Utility District Financial Statements for the Years Ending December 31, 2019 and 2018, p.18.

<sup>8</sup> Texas Water Development Board's Regional Water Supply Report, 2021.

**Table 2: Population and Demand Projections for the Marilee SUD**

Description	2020	2030	2040	Source
Population Projections				
Marilee SUD Population - Collin County	4,580	4,580	4,663	P.23 of the 2021 Regional Water Plan Report
Marilee SUD Population - Grayson County	<u>3,106</u>	<u>3,375</u>	<u>3,570</u>	p.31 of the 2021 Regional Water Plan Report
Total	7,686	7,955	8,233	p.46 of the 2021 Regional Water Plan Report
Municipal Demand Projections (Acre-Ft/Yr)				
Marilee SUD - Collins County	675	665	669	p.55 of the 2021 Regional Water Plan Report
Marilee SUD - Grayson County	<u>458</u>	<u>490</u>	<u>512</u>	p.63 of the 2021 Regional Water Plan Report
Total	1,133	1,155	1,181	p.79 of the 2021 Regional Water Plan Report
Current Available Supplies (Ac-Ft/Yr)				
Trinity Aquifer	939	939	939	p.268 of the 2021 Regional Water Plan Report
Sherman	<u>194</u>	<u>216</u>	<u>242</u>	p.268 of the 2021 Regional Water Plan Report
Total	1,133	1,155	1,181	

Based on a review of the information provided, and the lack of supporting information and evidence indicating that the debt service associated with the GTUA is allocable to the decertified area, I concluded that no compensation associated with the debt service associated with the GTUA project is due related to this factor.

On January 28, 2013, the Marilee SUD issued Revenue Notes, Series 2013. The proceeds from the notes were used to complete several upgrades and additions to the distribution systems. The Series 2013 Notes mature serially through 2026.<sup>9</sup> Raftelis was not provided with, or able to find, any additional documentation or information identifying the extent to which the capital investments made with these bond proceeds were incurred for the purpose of serving anticipated growth in the decertified CCN area and should be allocated to service in the decertified area. Therefore, due to the lack of supporting information and evidence, I concluded that no compensation associated with the debt service of this bond issue is due related to this factor.

On February 11, 2021, the Marilee SUD prepared and submitted an application to Live Oak Banking Company (“Live Oak”) in an effort to secure funding for construction of a 300,000-gallon water tank. Live Oak sent a commitment letter to Marilee SUD on April 13, 2021 committing to providing the Marilee SUD with a \$1,553,000 loan through the U.S. Department of Agriculture (USDA) Water and Environmental Guaranteed Loan Program. The USDA approved the loan on July 12, 2021.<sup>10</sup> This water tank does not appear to have been referenced as an asset related to or within the Decertified Area, per Docket No. 52532 documents. Raftelis was not provided with, or able to find, any additional documentation or information identifying the extent to which the capital investment made in connection with this USDA loan was incurred for the purpose of serving anticipated growth in the decertified CCN area and should be allocated to service to the removed area. Therefore, due to the lack of supporting

<sup>9</sup> Marilee Special Utility District Financial Statements for the Years Ending December 31, 2019 and 2018, p.18.

<sup>10</sup> Marilee Special Utility District’s Verified Response and Motion to Dismiss First Amended Petition of E Real Estate, LLC to Amend the District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, PUC Docket No. 52532. February 3, 2022.

information and evidence, I concluded that no compensation associated with the debt service of this loan is due related to this factor.

On November 2, 2021, the Marilee SUD merged with the Mustang SUD. Prior to consolidation with the Marilee SUD, Mustang SUD was already indebted to the USDA Rural Utilities Service, which purchased bonds from Mustang SUD in 2016 in the amount of \$2,442,000 (the amount was also stated to be in the amount of \$14,142,000 in the same referenced document) and in 2018 in the amount of \$1,000,000.<sup>11</sup> The Marilee SUD assumed Mustang SUD's indebtedness when the two districts were consolidated. Raftelis was not provided with, or able to find, any additional documentation or information identifying how the proceeds from these bonds were used or support that the capital investments made in connection with these bond proceeds should be allocated to service to the removed area. Therefore, due to the lack of supporting information and evidence, I concluded that no compensation associated with the debt service of this bond issue is due related to this factor.

**3. Factor: the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area;**

**Evaluation:**

The Commission's Order releasing the CCN stated "*the CCN holder has not performed any acts for or supplied anything to the tract of land.*" In addition, while the Order states that there are water lines parallel and within the tract, it also states "*the CCN holder has no facilities or lines that provide water service to the tract of land*". Raftelis has not found any additional documentation within its reviewed sources regarding expenditures for planning, design or construction of facilities within the decertified area. Therefore, it is concluded that there is no compensation due related to this factor.

**4. Factor: the amount of the former CCN holder's contractual obligations allocable to the removed area;**

**Evaluation:**

The Marilee SUD has a contract with the City of Sherman for the purchase of treated water. This contract includes a provision requiring Marilee SUD to pay for at least 0.10 million gallons per day of water regardless of the amount of water received.<sup>12</sup> Data regarding the amounts of historical purchases of water from the City by Marilee SUD indicates that Marilee SUD has purchased more than the contractual minimum<sup>13</sup>. Furthermore, as stated in the Commission's Order releasing the CCN, there are no current customers receiving service in the Decertified Area. In addition, Raftelis is not aware of any other relevant contractual obligations potentially applicable to the decertified portion of the CCN, other than the contractual debt service obligations described and discussed under Factor 2. Therefore, it is concluded that there is no compensation due related to this factor.

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<sup>11</sup> Marilee Special Utility District's Verified Response and Motion to Dismiss First Amended Petition of E Real Estate, LLC to Amend the District's Certificate of Convenience and Necessity in Collin County by Expedited Release, PUC Docket No. 52532. February 3, 2022.

<sup>12</sup> Treated Water Sales Agreement between the Gunter SUD (now Marilee SUD) and the City of Sherman, effective May 30, 2016 as renewed and extended.

<sup>13</sup> Historical purchases of water were provided to Raftelis during a previous CCN release compensation appraisal.



5. **Factor: any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under 16 TAC § 24.245;**

**Evaluation:**

The Commission's Order releasing the CCN stated that there are no current customers receiving service in the Decertified Area, the petitioner has not requested that the CCN holder provide water service to the tract of land, there are no facilities or lines that provide water service to the tract of land, the CCN holder has not committed or dedicated any facilities or lines in the tract of land for water service, and the CCN holder has not performed any acts for or supplied anything to the tract of land. Furthermore, the population and demand projections provided in Table 2 indicate that there is no growth or development anticipated for the decertified area in the foreseeable future. Further, Raftelis was not able to find any additional information stating otherwise. Based on my review, there is no demonstrated impairment of service or any increase of cost to consumers of the Marilee SUD resulting from the decertification of a portion of the CCN. Therefore, it is concluded that there is no compensation due related to this factor.

6. **Factor: the impact on future revenues lost from existing customers;**

**Evaluation:**

The Commission's Order releasing the CCN stated "*the tract of land is not receiving water service from the CCN holder*" and "*the petitioner has not requested that the CCN holder provide water service to the tract of land.*" In addition, Raftelis was not able to find any additional documentation stating otherwise. Therefore, it is concluded that there is no compensation due related to this factor.

7. **Factor: necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC §13.257(r); and**

**Evaluation:**

Raftelis has received an email from Mr. John Carlton of Carlton Law Firm, P.L.L.C indicating the usage of invoices within Marilee SUD's appraisal as provided from NewGen Strategies. Upon review of invoices as provided in Exhibit 1: Copies of Legal Invoices, Raftelis has concluded a total of legal fees of \$8,813.24. In addition, Raftelis received invoices related to Marilee SUD's Appraisal Fee. Texas Code does not allow appraiser expenses, as stated within the code "*If the former CCN holder and the prospective retail public utility do not agree on an independent appraiser, each shall engage its own qualified appraiser at its own expense*"<sup>14</sup>. Therefore, based on the information provided, the compensation amount related to this factor was found to be \$8,813.24.

8. **Factor: any other relevant factors as determined by the commission.**

**Evaluation:**

No other relevant factors were identified. Therefore, no compensation is due as it relates to this factor.

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<sup>14</sup> Texas Water Code §13.2541

# Conclusion

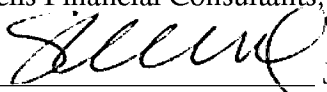
Raftelis' conclusion for each factor was evaluated based on data and information made available to me. As reflected in the analyses contained in this report, I conclude that the compensation due to Marilee SUD for the decertification of the portion of CCN #10150 in accordance with the Texas Code and the Texas Administrative Code as referenced herein is \$8,813.24.

# Valuation Representation

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions. Any statement in this report involving estimates or matters of opinion, whether so specifically designated, are intended as such, and not as representation of fact.
3. I have no present or prospective interest in the property that is subject of this report, and we have no personal interest with respect of the parties involved.
4. I have not provided services as an appraiser or in any other capacity in connection with the subject property within the three-year period immediately preceding the agreement to perform this assignment.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. The engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation assessment.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Diana Ling provided significant assistance in researching the subject, guideline companies, and transaction information, and compiling and reviewing information regarding the subject. No others provided significant assistance in the preparation of this report.
10. In preparation of this report and the conclusions contained herein, I have relied on certain assumptions and information with respect to conditions which may exist or events which may occur in the future. While I believe such assumptions are reasonable, sources are reliable, and the information obtained to be accurate and appropriate for the analysis undertaken and the conclusions reached herein, as is often the case, there may be differences between actual and projected results, some estimates used in this report may not be realized, and unanticipated events and circumstances may occur.
11. This report summarizes the work completed up to the date of the issuance of this report. Changed conditions occurring or becoming known after such date could affect the opinions and conclusions contained herein to the extent of such changes. I have no responsibility for updating this report for changes that occur after the date of this report.

Raftelis Financial Consultants, Inc.

By:  January 30, 2023  
Steven McDonald, CVA

# Appraiser Qualifications

**Steven McDonald, CVA, Chief Economist / Valuation Services, Raftelis Financial Consultants, Inc.**

Mr. McDonald is an Economist, Researcher, and Strategist with nearly 30 years of experience, almost equally divided between consulting assignments and corporate roles. He specializes in quantitative and qualitative research and analysis to include Business Valuation and Appraisal (CVA#20639), economic analyses and econometrics, cost-benefit analyses, and short- and long-term financial analyses. Over this time, Mr. McDonald has developed a high degree of technical expertise balanced with strategic management experience from high-profile, innovative projects, both domestically and internationally, focused on economic and financial issues across a broad range of industries. Altogether, corporate roles and consulting assignments, along with managing work efforts across no less than four business cycles, have provided Mr. McDonald the opportunity to develop strong expertise in the field of economics and understanding enterprise business value.

Mr. McDonald strives to maintain active participation as a member of the NACVA and is currently the President of the NACVA Florida North Chapter. In addition, he has served on the NACVA Ethics Oversight Board for three years, one of those years as Chairman. Mr. McDonald is also an Adjunct Instructor with Webster University's Orlando Campus in Economic Concepts and Managerial Economics.

## **Specialties:**

- Business Valuation and Appraisal
- Economic Impact Analysis
- Cost-Benefit Analysis

## **Professional History:**

- Raftelis: Chief Economist/Valuation Services (2021-present)
- GAI Consultants (2012-2021)
- The Disney Company (2008-2012)
- RERC (2004-2008)
- Burton & Associates (2002-2004)
- CHEP International (1999-2002)
- The Disney Company (1996-1999)
- Fishkind & Associates (1990-1996)

## **Education:**

- Bachelor of Arts in Public Policy – University of Central Florida (1988)
- Master of Arts in Applied Economics
- University of Central Florida (1990)

## **Professional Affiliations:**

- National Association of Certified Valuators and Analysts (NACVA)
- Past Chairman and member of NACVA Ethics Oversight Board (EOB)
- President, NACVA Florida North Chapter
- American Society of Appraisers, Member
- Webster University, Adjunct Instructor

### **Business Valuation Experience:**

Business Valuation services have been provided for purposes of insurance, litigation, and purchase and sale transactions (M&A), generally resulting in a detailed, summary, or oral appraisal or value reports. A Business Valuation, as defined by Uniform Standards of Professional Appraisal Practice (USPAP) Standard 9, provides a specific value based on purpose and use of the appraisal or calculation. All valuation services provided conform with the Professional Standards of the NACVA. Professional experience with providing Business Valuation services has included the following:

- North Carolina IOU (Sewer), 2022 – Asset Transaction
- North Carolina IOU (Sewer), 2022 – Asset Transaction
- Florida Public Utility (Service Area Rights), 2022 – Asset Transaction
- Florida IOU (Water), 2022 – Asset Transaction
- Arizona (7 systems) Utility, 2022 (Water) – Asset Transaction
- South Carolina Utility, 2022 (Water) – Asset Transaction
- Virginia Public Utility, 2022 (Water and Sewer) – Divestiture
- South Carolina Public Utility, 2022 (Water) – Asset Transaction
- North Carolina Public Utility, 2022 (Water) – Asset Transaction
- Ohio Public Utility, 2022 (Water) – Asset Transaction
- South Carolina Public Utility, 2021 (Wastewater) – Asset Transaction
- Florida Public Utility, 2021 (Water) – Asset Transaction
- Florida Public Utility, 2021 (Natural Gas) – Asset Transaction
- Pennsylvania Public Utility, 2021 (Sewer) – Asset Transaction
- Texas IOU (Water), 2021 – Asset Transaction
- Florida Public Utility, 2021 (Service Area) – Litigation
- Pennsylvania Public Utility, 2021 (Sewer) – IOU Acquisition
- California Water Market, 2021 (Credits) – Asset Transaction
- Pennsylvania Public Utility, 2021 (Sewer) – IOU Acquisition
- Florida Public Utility, 2020 (Water) – Asset Transaction
- Florida Public Utility, 2020 (Water) – Foreclosure
- Florida Public Utility, 2019 (Water and Wastewater) –Business Damages
- Florida Public Utility, 2019 (Water and Wastewater) –Acquisition
- Florida Public Utility, 2018 (Chilled Water) – Acquisition
- California Private Discharge Capacity, 2018 (Wastewater) –Acquisition
- Tennessee Public Utility, 2018 (Electric) – Acquisition
- Florida IOU, 2017 (Water-Sewer) – Acquisition
- Florida IOU, 2017 (Electric) – Tangible Property Tax
- Ohio IOU, 2017 (Water) – Financing
- Florida Public Utility, 2017 (Water Storage) – Acquisition
- South Carolina Public Utility, 2016 (Water) – Acquisition
- Ohio Public Utility, 2016 (Water-Sewer) – Acquisition
- Mississippi Certificate of Public Conveyance and Necessity, 2016 (Water) – Acquisition
- Florida IOU, 2016 (Electric) – Tangible Property Tax
- Florida IOU, 2015 (Electric) – Acquisition

## **Economic and Fiscal Analysis Experience:**

Economic Development as a concept is measured in jobs and income but most importantly reflects a community's overall quality of life that is only maintained with sufficient public (fiscal) resources to meet existing and future needs. Therefore, understanding economic and fiscal outcomes assists communities with assessing the potential benefits on concepts of an overall "quality of life" – cost-benefit, employment growth, the nature of jobs, economic welfare, community income and wealth, and public infrastructure and services. Economic and Fiscal Analyses and services have been provided for more than 30 years; experience has included the following (completed assignments):

- Virgin Islands Environmental User Fee Economic Impact Analysis, U.S. Virgin Islands
- Economic Impact of Protecting the Florida Manatee
- U.S. Rental Car Economic and Market Demand, National Car Rental
- Gulf War Economic Impact on Rental Car Industry, National Car Rental
- European Banana Economic and Market Demand, CHEP Europe
- Orlando Parks and Recreation Economic Benefits
- SED (Florida) Community Impacts
- St Lucie (Florida) Water Reclamation Facility Economic Impacts
- Rose Arts (Florida) Fiscal Impacts
- Miami New Drama Economic Impact Analysis
- Miami-Dade Pike Transit Oriented Development Economic Impact Analysis
- Economic and Fiscal Impact Analyses (continued)
- Apopka (Florida) Economic and Fiscal Analysis
- Marion County (Florida) Aquatics Center Economic and Fiscal Analysis
- Reunion Resort (Florida) Fiscal Impact Analysis
- Amelia Island (Florida) Development Economic and Fiscal Impact Analysis
- Neptune Road (Florida) Economic and Fiscal Impact Analysis
- IOC Pompano Beach (Florida) Economic Impact
- Sorrento Pines (Florida) Fiscal Impact Analysis
- New Smyrna (Florida) Beach Fiscal Analysis
- Downtown Daytona (Florida) Fiscal Impact Analysis
- Tohoqua (Florida) Fiscal Impact Analysis
- Albert Whitted (Florida) Airport Economic Benefit Analysis
- Gaylord Palms (Florida) Fiscal Impact Analysis
- North End Charlotte (North Carolina) Economic and Fiscal Impact Analysis
- Maitland West (Florida) Fiscal Impact Analysis
- River District (North Carolina) Fiscal Impact Analysis
- Florida Hospital Fiscal & Economic Analysis
- Kendall Town Center (Florida) Economic Analysis
- Miami (Florida) Icebox Café Economic Analysis
- Osceola (Florida) Fiscal Impact Analysis
- Melbourne (Florida) Economic Impact Analysis
- Kansas State University Economic Impact Analysis
- Miami-Dade (Florida) Fiscal Analysis
- CEMEX (Florida) Facility Economic Analysis
- University of Central Florida Downtown Economic Impact Analysis
- US 17-92 Flyover (Florida) Modification Economic Analysis
- Miami Uptown (Florida) Economic Analysis
- Ocean Cadillac (Florida) Economic Analysis
- Vizcaya (Florida) Economic Analysis
- Economic Impact of Spring Training Facility, New York Yankees (Florida)

- Biomedical Cluster Economic and Fiscal Impacts at Lake Nona, Tavistock (Florida)
- Economic Development Analysis, Piedmont Triad and City of Havelock (North Carolina)