

to *actually inspect* the above-ground assets — i.e. plants, tanks, intake structures, booster stations, hydrants, pumps — during the negotiations and valuation processes.³⁴ A review of the evidentiary record will show that TAWC’s testimony that it inspected the System is undisputed.³⁵ After conducting these inspections, along with other analyzes, including title searches,³⁶ Mr. Bickerton concluded as follows:

“So we felt comfortable with the assets that were recorded on their financial statements as being a sound basis for the determination of the base of the purchase price.”³⁷

Employing his vast experience with acquisitions, this is why Mr. Bickerton rejected several overtures from the Consumer Advocate to characterize the System as a high risk investment.³⁸ Having inspected the above-ground portion of the System,³⁹ subsequent to the acquisition TAWC would, consistent with its pre-acquisition and post-acquisition study efforts, begin to move beyond inspection into flow testing, mapping and modeling and other similar planning activities.⁴⁰

Although the Consumer Advocate is free, should it choose, to disagree with the mutually agreed upon valuation by Whitwell and TAWC, the Consumer Advocate cannot credibly

³⁴ *Tr. Vol. I* at 128, LL 1 – 6 and *Tr. Vol. I* at 122, LL 2 – 5 (Testimony of Bickerton). *See also, e.g., Tr. Vol. I* at 20, LL 20 – 22 (Question from CAPD: “[B]ut have you done any preliminary assessments as to where some of the water losses are? A: We have within reason. . . . We can’t really go over and start to dig up streets[.]”) (Testimony of Deron Allen).

³⁵ *Id.* at 122, LL 15 – 16 (Testimony of Bickerton). Further, the record evidences that TAWC had substantial experience in evaluating the System. *Id.* at 93, LL 1 – 12.

³⁶ *Id.* at 128, L 5.

³⁷ *Tr. Vol. I* at 122, LL 6 – 9.

³⁸ *Id.* at 121, LL 21 – 25 and p. 122, LL 1 – 10. *See also Tr. Vol. I* at 134, LL 21 – 23.

³⁹ The remainder of the System was considered via other means. *See, e.g., Hearing Exhibit No. 7*, TRA Docket No. 12-00157. This exhibit is **CONFIDENTIAL** and was marked **CONFIDENTIAL** and filed **UNDER SEAL**. *See also, e.g., Tr. Vol. I* at 21, LL 3 - 5 (interviews of the System’s operators) (Testimony of Allen).

⁴⁰ *See, e.g., Hearing Exhibit No. 7* at 14 – 15. Ignoring the evidentiary record, the CAPD maintains that no inspection has occurred. *See Consumer Advocate’s Post-Hearing Brief* at 8 and 25. Mr. Bickerton never testified that he only toured the assets. Mr. Bickerton testified that he “inspected” the assets. *Tr. Vol. I* at 128 (“[W]e did *inspect* the facilities.”); and *id.* at 122, L 3 (“We can *examine* tanks, booster stations, treatment plants, intake structures, pumps.”) (emphasis added). Mr. Allen may not have inspected and examined the facilities, but Mr. Bickerton did.