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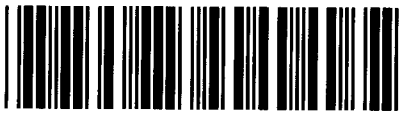

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PUC DOCKET NO. 42860
SOAH DOCKET NO. 473-14-5140 WS

		BEFORE THE STATE OFFICE
APPLICATION OF DOUGLAS	§	
UTILITY COMPANY TO	§	
CHANGE WATER AND SEWER	§	OF
RATE/TARIFF IN HARRIS	§	
COUNTY, TEXAS	§	ADMINISTRATIVE HEARINGS

PREFILED TESTIMONY

DOUGLAS UTILITY COMPANY

Wesley Wright

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Q. Please state your name and business address.

A. My name is Wesley Wright. My address is TNG Utility Corp., 2815 Spring Cypress Road #3, Spring, TX 77388.

Q. By whom are you employed and in what capacity?

A. I am the West Area manager for TNG Utility Corp. ("TNG"). Due to my prior involvement with Douglas Utility Company ("DUC"), I will be its area manager as well until this rate case and the wastewater treatment plant ("WWTP") refurbishment are concluded. I am responsible for the operation and maintenance of the water and sewer systems and reporting on this to the TCEQ and Carol Zieben, DUC's owner/CEO.

Q. What is your educational and employment background that makes you qualified to do this work and testify in this rate case?

A. I worked for Hays Utility Company, a Montgomery/Harris County utility operations contractor, when I was in high school. When I was 20 years old, I trained and was licensed as a journeyman plumber in 2 years instead of the normal 4 years. After 3 years working as a plumber, I returned to water and sewer utility operations. I have taken over 1000 hours of approved professional training courses. I hold Class B water and sewer operator licenses from the TCEQ plus a customer service inspection ("CSI") rider to my water utility license.

Q. What resources do you have available with which to operate the DUC water and sewer systems?

A. TNG's operators are licensed for both water and sewer utilities. I have 7 operators available. I have 3 available service techs. There are 3 three-man construction crews. TNG has a full complement of heavy equipment, service trucks and tools in-house to support these crews.

Q. Other than operate and maintain the water and sewer systems, what services does TNG provide DUC?

A. TNG performs virtually all of the customer service functions required of a TCEQ-certificated water/sewer utility. Applications for service and billing inquiries are made to TNG. We read DUC's meters and bill customers. We collect customer payments and deposit the funds for DUC. This work is done by our customer service manager and her 5 assistants.

Q. How are customer service complaints handled for DUC? For example, assume a customer is experiencing low water pressure. How would they let DUC know and what steps would be taken?

A. All customers are instructed to call TNG with service or billing complaints. This hypothetical customer would call TNG. A customer service rep would take the call and get all of the pertinent information she thinks is needed. This information is routed to a

dispatcher who will research that account to see if that problem has occurred before at that location and what was done to correct it. The dispatcher will prepare a work order and send it to a field coordinator who will assign it to crewmen.

Q. How soon will crewmen be sent to correct the problem?

A. If it is a Priority One matter, crewmen will be dispatched that day. Priority One matters are things with an immediate impact on human health or safety or the environment. For example, on the water side, this would include: no water, poor water quality and major leaks that could dewater the distribution system. On the sewer side, this would include stoppages and raw sewage excursions.

Other reported problems that do not appear to have an immediate health, safety or environmental impact will be dispatched by the field coordinator the following morning during his daily crew briefing.

Q. What does TNG do to help keep the cost of operating the DUC utility systems down?

A. First and foremost, TNG uses experienced licensed crews to operate the systems and to perform any necessary maintenance or repairs. We try to stay ahead of the maintenance curve so equipment stays in good shape and lasts as long as possible. We operate the WWTP within its permit parameters, thus avoiding fines and costly clean ups.

Q. Has TNG had any difficulty in operating the DUC systems? If so please explain.

A. We faced issues with Water Accountability. In order to accurately determine where the water was being used we installed meters with backflow devices on the distribution system serving the apartments, as they were the only unmetered user. Once the meters were installed, Water plant # 1 and # 2 were no longer able to share resources. TNG installed a bypass line to enable the facilities to work together.

There have been problems with excessive oils and grease in the waste stream from the Rainbow Housing Assistance Corporation apartments ("Rainbow"). The collection lines on the Rainbow property belong to Rainbow and are the apartments' responsibility to maintain under TCEQ Rule 291.86(b)(3)(B). Under TCEQ Rule 291.94(a), Rainbow is not supposed to be discharging grease or oils into the sewer system. Nevertheless, Rainbows internal collection lines have a problem with grease and oil blockages. When this occurs, rather than vacuuming this material from the lines, Rainbow's plumbers push it downstream into DUC's collection lines, causing additional blockages. DUC then has to bear the cost of removing the grease and oils before they get to the WWTP lift station.

Q. Has DUC or TNG done anything to address this recurring problem? If so, what?

A. Yes. TNG has requested Rainbow to change the manner in which it is removing blockages and to coordinate its work with TNG so everyone can address the problem at one time. DUC has also added biological agents into its collection system so the introduced bacteria can start digesting waste before it gets to the WWTP. Neither of these efforts has been successful.

Q. What else can you do?

A. DUC can petition the TCEQ for permission to require Rainbow to pretreat its waste before it enters the DUC collection system. We could avoid this if Rainbow cooperates with us.

Q. Are there other problems with the DUC sewer system?

A. Yes, the WWTP is old and worn out. It is a steel plant that is rusty and pitted with holes. The steel is delaminating. TNG has welded patches where it can. For example, there is a hole in the wall between two critical tanks that is approximately 2 feet in diameter. It has a galvanized steel sheet welded over it. If that patch fails, untreated sewage will leak into the chamber from which treated effluent is discharged into the receiving stream. Such an event would lead to a total wash out of the plant. This is an operator's worst nightmare, and it could happen at the DUC WWTP at any time.

Q. Has DUC done a complete engineering study of this problem and what can be done about it? Please explain your answer.

A. The DUC sewer system is dependent upon a single WWTP. There are no nearby sewer utilities DUC could tie into on an interim or permanent basis. The full extent of the current deterioration of the existing DUC WWTP cannot be studied until an interim service alternative is in place and the old plant drained and examined by an engineer. Once that

study is performed, DUC will know if the old plant can be rehabilitated or if it must be replaced. I have calculated for Mrs. Zieben the cost of a new plant with engineering and permitting could be as high as one million dollars. It could cost much less if the old plant can be saved and new steel added and/or components replaced as needed. In either case, a temporary steel WWTP will have to be installed while construction/evaluation is underway.

Q. What else has TNG done to assist DUC in solving the problems at the WWTP?

A. TNG's principals know most of the WWTP fabricators in the Houston area and we are familiar with the different treatment processes used in this region. We contacted Carl Baker, Gaylord Investment Company and Gaylord Environmental, 1183 Brittmore, Suite 100, Houston, TX 77043. He agreed to give DUC an all-encompassing price for designing, permitting and constructing a rehabilitated plant or a new plant. The price will depend upon the extent of the work to be performed and what, if any, of the old WWTP that can be salvaged. TNG then assisted Mrs. Zieben in her efforts to acquire financing for the new plant, including the bank loan and this rate case.

Q. Does this conclude your testimony?

A. Yes, it does.