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Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83<sup>rd</sup>  
Legislature, Regular Session, transferred the functions  
relating to the economic regulation of water and sewer  
utilities from the TCEQ to the PUC effective  
September 1, 2014

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SOAH DOCKET NO. 582-01-3914  
TNRCC DOCKET NO. 2001-0845-UCR

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PUBLIC UTILITY COMMISSION  
FILING CLERK

APPLICATION BY VILLAGE OF  
WIMBERLEY TO OBTAIN A SEWER  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY IN HAYS COUNTY

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BEFORE THE  
STATE OFFICE OF  
ADMINISTRATIVE  
HEARINGS

**VILLAGE OF WIMBERLEY'S**  
**PREFILED DIRECT TESTIMONY OF MR. FRED M. BLUMBERG**

BICKERSTAFF, HEATH, SMILEY,  
POLLAN, KEVER & MCDANIEL, L.L.P.  
1700 Frost Bank Plaza  
816 Congress Avenue  
Austin, Texas 78701-2443  
(512) 472-8021  
(512) 320-5638 (FAX)

Dated: April 19, 2002

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TNRCC DOCKET NO. 2001-0845-UCR**

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1 Q. Please state your name and business address.

2 A. My name is Fred M. Blumberg. My business address is 933 E. Court St., Seguin, TX  
3 78155.

4

5 Q. Please describe your education and professional experience.

6 A. I have a Bachelor of Science from Texas A&M University and a Master of Agriculture  
7 from Texas A&M University. I have worked at the Guadalupe-Blanco River Authority  
8 (GBRA) for twenty-seven years in the field of water resource, development and  
9 management, and wastewater operations and management.

10

11 Q. In what capacity are you currently employed at GBRA?

12 A. I currently serve as the Deputy General Manager at GBRA.

13

14 Q. How long have you been the Deputy General Manager?

15 A. Since the spring of 1995.

DIRECT TESTIMONY OF FRED BLUMBERG  
SOAH DOCKET NOS. 582-01-3633 & 582-02-0432  
TNRCC DOCKET NOS. 2001-0697-UCR & 2001-0951-UCR

1 Q. Please describe your job duties at GBRA.

2 A. I am responsible for managing all of GBRA's operations, including hydroelectric  
3 generation, water and wastewater plants, water supply and reservoir, canal and recreation  
4 activities, and water quality. I manage the operations and maintenance of ten wastewater  
5 plants for the Cities of Victoria and Lockhart, the Texas Department of Transportation,  
6 and other entities. I manage the operation of surface water treatment plants for the Cities  
7 of Port Lavaca, Luling, and San Marcos and a groundwater treatment plant for the City of  
8 Lockhart. I coordinate the preparation and review of design, and plans and specifications  
9 for major projects, including parks, water treatment plants, water distribution systems,  
10 wastewater treatment plants and wastewater collection systems. I also negotiate  
11 operating agreements and rate structures with industrial and municipal customers. I am  
12 responsible for maintaining communication and coordination with over 3,000 wholesale  
13 and retail customers of GBRA.

14  
15 Q. Are you a member of any professional associations?

16 A. I am a member of the Texas Water Conservation Association, the American Water Works  
17 Association, the Association of State Dam Safety Officials, the Society of Safety  
18 Engineers, and the Texas Recreation and Park Society.

19  
20 Q. Have you ever testified before?

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SOAH DOCKET NOS. 582-01-3633 & 582-02-0432  
TNRCC DOCKET NOS. 2001-0697-UCR & 2001-0951-UCR

1 A. Yes.

2

3 Q. In what cases and in what capacity?

4 A. I testified as GBRA's representative in administrative proceedings related the amendment  
5 of GBRA's water rights, and in proceedings related to permits for GBRA's customers.

6 Additionally, by the time that I testify in this proceeding, I will have testified in the  
7 matter of Applications of the City of Bulverde to Obtain and Bexar Metropolitan Water

8 District to Amend Water Certificates of Convenience and Necessity in Comal County.

9 (SOAH Docket Nos. 582-01-3633 and 582-02-0432; TNRCC Docket Nos. 2001-0697-

10 UCR and 2001-0951-UCR.)

11

12 Q. Have you prepared a resume describing your experience?

13 A. Yes. My resume is attached to my testimony as Wimberley Exhibit 29.

14

15 Q. Please describe your experience in the area of municipal sewer service.

16 A. I have overseen the management of ten wastewater plants. The plants are located in or  
17 near Victoria, Lockhart, New Braunfels, Seguin, Canyon Lake, and Port Lavaca, and in

18 rural areas of Guadalupe County. Eight of the ten plants treat municipal wastewater and

19 discharge the treated effluent. One of those plants discharges only when not using the

20 treatment effluent for industrial cooling water. Two of the plants are "no-discharge"

1 facilities that irrigate with the effluent. Management of these facilities includes ensuring  
2 the wastewater reclamation plants comply with applicable state and federal regulations,  
3 overseeing customer service, billing, and collections, supervising the filing of the  
4 necessary wastewater discharge applications with the TNRCC, facilitating the expansion  
5 and upgrade of the wastewater plants, and overseeing the day-to-day operations and  
6 maintenance of the facilities. I am also involved in preparing the work plans and budgets  
7 for these facilities and in the coordination of service with individual municipal customers.  
8

9 Q. Could you please describe the mission of GBRA?

10 A. The mission of GBRA is to protect, conserve, reclaim and steward the resources of the  
11 District in order to ensure and promote quality of life for those we serve.  
12

13 Q. Could you please describe the jurisdictional boundaries of GBRA?

14 A. GBRA's district includes a ten-county area. The counties are Kendall, Comal, Hays,  
15 Guadalupe, Gonzales, Caldwell, DeWitt, Calhoun, Victoria and Refugio.  
16

17 Q. Does GBRA currently own and/or operate any wastewater treatment and collection  
18 facilities?

19 A. Yes. GBRA owns and/or operates ten wastewater treatment plants: the Victoria Regional  
20 Wastewater Treatment Plant, the Victoria Willow Street Wastewater Treatment Plant, the

1 Lockhart Larremore Street Plant, the Lockhart F.M. 20 Plant, the Canyon Park  
2 Wastewater Reclamation Plant, the Dunlap Wastewater Reclamation Plant near New  
3 Braunfels, the Northcliffe Wastewater Reclamation Plant near New Braunfels, the  
4 Springs Hill Wastewater Reclamation System near Seguin, and the Texas Department of  
5 Transportation's (TxDOT) Guadalupe County Rest Area on IH-10. GBRA also owns  
6 and operates the wastewater treatment plant serving the Crestview Subdivision near Port  
7 Lavaca. In addition to these plants, GBRA operates four small wastewater collection  
8 systems.

9  
10 Q. How long has GBRA operated wastewater facilities?

11 A. GBRA began operating small wastewater treatment plants for developments and rural  
12 areas in 1971. The Victoria Regional Wastewater Treatment Plant started operating in  
13 1972. GBRA assumed the operation of the Lockhart Larremore Street Plant in 1994. The  
14 Lockhart F.M. 20 Plant went into operation in 1999.

15  
16 Q. Please describe those wastewater treatment systems owned and/or operated by GBRA?

17 A. The Victoria Regional Wastewater Treatment Plant can treat up to 9.6 million gallons per  
18 day (MGD) of wastewater using a complete mix, activated sludge process. The Willow  
19 Street Wastewater Treatment Plant can treat up to 2.5 MGD of wastewater using a two-  
20 stage, high rate trickling filter process in combination with an activated sludge polishing

1 process. Both of these plants discharge their treated effluent to the Guadalupe River.  
2 The Lockhart Larremore Street Wastewater Treatment Plant treats up to 1.1 MGD of  
3 wastewater and the F.M. 20 Plant treats up to 1.5 MGD of wastewater. Both plants use  
4 the contact stabilization process and discharge the treated effluent into Plum Creek, a  
5 tributary of the Guadalupe River. The Canyon Park Wastewater Reclamation System  
6 treats up to 0.1 MGD of wastewater using a tertiary process. The Dunlap Wastewater  
7 Reclamation Plant treats up to 0.16 MGD of wastewater, and the effluent is discharged  
8 only when not used for cooling water by the Guadalupe Power Partners generating  
9 station. The Springs Hill Wastewater Reclamation System treats up to 0.3 MGD of  
10 wastewater and discharges to the Guadalupe River. All of these systems provide service  
11 to subdivisions and residential areas. The Northcliffe Wastewater Reclamation System  
12 treats up to 0.3 MGD of wastewater and the effluent is recycled as irrigation water for an  
13 adjacent golf course. The Northcliff system also serves a residential community. The  
14 TxDOT Guadalupe County Rest Area plant is treats about 6,000 gallons of wastewater  
15 per day. The Crestview Wastewater Treatment Plant can treat up to 20,000 gallons per  
16 day.

17  
18 Q. Approximately how many customers are served by all of GBRA's wastewater treatment  
19 facilities?

20 A. GBRA serves about 85,000 wholesale and retail customers with its wastewater treatment



1 facilities.

2

3 Q. Does GBRA handle the accounts, billing, collections, and customer service for some of  
4 the facilities that it owns and operates?

5 A. Yes.

6

7 Q. From an organizational standpoint, how are the accounts, billing, collections, and  
8 customer service handled for the various facilities that GBRA owns and/or operates?

9 A. GBRA's wholesale municipal customers are billed on a monthly basis the cost of  
10 operations and maintenance and any GBRA debt service related to the plant and  
11 collection system. The basis for these billings are contracts with the individual  
12 customers, and an annual work plan and budget prepared by the GBRA staff, reviewed  
13 with the customer, and ultimately approved by the GBRA Board of Directors. GBRA's  
14 retail sewer customers are billed monthly based on rates set by the GBRA Board of  
15 Directors. Customer service is handled by GBRA's employees at the local level and by  
16 staff members in Seguin.

17

18 Q. Does GBRA have certified operators operating those systems?

19 A. Yes.

20

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SOAH DOCKET NOS. 582-01-3633 & 582-02-0432  
TNRCC DOCKET NOS. 2001-0697-UCR & 2001-0951-UCR

1 Q. How many certified operators are employed by GBRA?

2 A. Currently, GBRA has about six employees with both water and wastewater certificates,  
3 about twenty-one employees with water certificates, and about twenty employees with  
4 wastewater certificates.

5

6 Q. What class of licenses do they currently hold?

7 A. Class A, B, C, and D. A list of GBRA's operators is included in the application filed by  
8 the Village of Wimberley, which is attached to Steve Klepfer's prefiled testimony as  
9 Wimberley Exhibit 7.

10

11 Q. What is GBRA's compliance record at the facilities it operates?

12 A. GBRA has an excellent compliance record for the plants and collection systems that  
13 GBRA operates. GBRA's systems are routinely inspected by the TNRCC with no  
14 deficiencies being found.

15

16 Q. Please describe GBRA's managerial structure.

17 A. GBRA is headed by a nine member Board of Directors appointed by the Governor of  
18 Texas. A general manager and staff conduct management and administrative duties in  
19 accordance with the policies established by the Board of Directors. GBRA is divided  
20 into ten operating divisions and the General Division. The operating divisions include

1 the Guadalupe Valley Hydroelectric, Rural Utilities, Water Resources, Port Lavaca  
2 Water Treatment, Calhoun County Rural Water, Victoria Regional Wastewater  
3 Reclamation, Coleto Creek, Luling Water Treatment Plant, Canyon Hydroelectric, and  
4 Lockhart Divisions.

5  
6 Q. Which division oversees the operation and maintenance of the wastewater treatment  
7 facilities owned and/or operated by GBRA?

8 A. GBRA's wastewater treatment facilities are managed by several divisions. The large  
9 Victoria and Lockhart plants are operated as independent divisions. The other  
10 wastewater treatment plants are operated within the Rural Utilities and Calhoun County  
11 Rural Water Divisions.

12  
13 Q. How is the management of these facilities organized?

14 A. GBRA has two Operations Managers who are members of the senior Management Team.  
15 One Manager oversees operations in the upper basin of GBRA's district, and one  
16 provides leadership for our operations within the lower Guadalupe River basin. Each of  
17 these Operations Managers has individual plant or area managers who provide leadership  
18 for the individual wastewater treatment plants and collection facilities.

19  
20 Q. Does GBRA employ a chief engineer?

1 A. Yes.

2

3 Q. What is the chief engineer's role with respect to the operation and maintenance of the  
4 wastewater treatment facilities operated by GBRA?

5 A. The Chief Engineer assists the operating divisions with problems and projects that cannot  
6 be handled by the managers on site. This assistance may include process problems,  
7 design of structures and improvement, and selection of equipment.

8

9 Q. How are the monitoring and testing requirements at these facilities handled by GBRA?

10 A. Monitoring is handled by operations at each facility. At the larger plants, lab analysis is  
11 primarily done on site with selected samples sent to larger labs. Lab work at the smaller  
12 plants analysis is done by GBRA's Regional Laboratory in Seguin.

13

14 Q. What kinds of policies or protocols does GBRA have in place to ensure the facilities it  
15 owns and/or operates are operated and maintained in compliance with good management  
16 practices and TNRCC rules and regulations?

17 A. GBRA's operating policies and procedures relate to the key areas of sound utility  
18 management: selection and training of employees; safety and health; construction  
19 management; and operations and maintenance of facilities. GBRA hires qualified  
20 employees after an extensive selection process. That process includes pre-employment

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TNRCC DOCKET NOS. 2001-0697-UCR & 2001-0951-UCR

1 drug and alcohol screening and a driving background check. GBRA's employment  
2 policies emphasize continual training and professional development for its employees,  
3 especially its licensed water and wastewater operators. GBRA pays for employees to  
4 attend the training courses necessary to maintain and upgrade their certifications and to  
5 fully understand TNRCC's regulations. GBRA has very low employee turnover.  
6 GBRA's safety and health programs have been recognized by the Texas Water  
7 Conservation Association and the Texas Water Utilities Association. GBRA has an  
8 active Safety Committee that is responsible for continually updating GBRA's Safety  
9 Manual. GBRA manages its design and construction projects in such a way so as to  
10 involve operating personnel and to assure that specifications are followed. As-built  
11 construction drawings and equipment manuals are provided to operating personnel upon  
12 completion of the project. Operating and maintenance manuals, and equipment manuals  
13 provide the basis for professional operation of treatment plants and distribution systems.  
14

15 Q. How will the Wimberley sewer system be incorporated into the managerial structure of  
16 GBRA?

17 A. GBRA will manage the Wimberley sewer system as part of its upper basin utility  
18 operations. The Operations Manager for the Upper Basin will be responsible for  
19 selecting managers, first line supervisors and employees to provide daily operations and  
20 maintenance to the system, as well as service to customers.

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1 Q. Will GBRA require these facilities to be capable of meeting the TNRCC's design criteria  
2 for sewer treatment plants and the requirements of the Texas Water Code.

3 A. Yes.  
4

5 Q. Could you please describe the major components GBRA anticipates will be part of the  
6 Wimberley sewer system?

7 A. Major components of the sewer system will include those that you would normally have,  
8 including buried pipelines, lift stations as needed, wastewater treatment plant and  
9 associated facilities.  
10

11 Q. When do you anticipate that Phase I of the Wimberley sewer system will be operational?

12 A. Approximately, 12-18 months.  
13

14 Q. In your opinion, is the sewer service GBRA is going to provide Wimberley adequate to  
15 meet the current sewer service needs of the requested area?

16 A. Yes.  
17

18 Q. In your opinion, does Wimberley, with GBRA as its operator, have the managerial and  
19 technical capability to provide continuous and adequate sewer service to the requested  
20 area?

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1 A. Yes.

2

3 Q. Does this conclude your testimony?

4 A. Yes. I reserve the right to amend or supplement my testimony at the time of trial to  
5 correct any inadvertent mistakes and to reflect changes in circumstances.

6

# Fred M. Blumberg

Deputy General Manager  
Guadalupe-Blanco River Authority

## Experience

- ♦ **Water Quality & Supply:** Manages the sale of stored water from Canyon Reservoir and the application and permitting process for all GBRA water rights. Manages canal and delivery systems in Calhoun County serving industrial, municipal, and agricultural customers.
- ♦ **Wastewater Treatment:** Manages 10 wastewater plants for the City of Victoria, City of Lockhart, TXDOT and other smaller entities.
- ♦ **Water Treatment:** Manages water treatment plants for the Cities of Luling, Port Lavaca, and San Marcos, as well as rural water distribution systems.
- ♦ **Reservoir and Park Management:** Manages the operation and maintenance of a 3,100-acre cooling reservoir and adjacent regional park.
- ♦ **Hydroelectric Generation:** Manages seven hydroelectric plants along the Guadalupe River that sell electricity to a municipality and a rural electric cooperative.
- ♦ **Other Activities:** Involved in the development of regulations for the Edwards Aquifer to protect springflows. Negotiates numerous water supply contracts and rate structures with industrial and municipal customers. Represents GBRA in litigation and property rights issues. Supervises GBRA's accounting, finance, water quality and engineering departments.

## Primary Responsibilities

- ♦ Responsibility for managing all of GBRA's operations, including hydroelectric generation, water and wastewater plants, water supply and reservoir, canal and recreation activities, and water quality.
- ♦ Technical supervision: Coordinates the preparation and review of design, and plans and specifications for major projects including parks, water treatment plants and wastewater treatment plants.
- ♦ Serves as Safety Director. Manages an expanding safety program. Able to reduce experience modifier from 1.0 to 0.59.
- ♦ Develops \$20,000,000 annual workplan and budget for all divisions.
- ♦ Designs and supervises technical and professional development training programs.
- ♦ Maintains communication and coordination with over 3,000 wholesale and retail customers.

## Education

Master of Agriculture, Texas A&M University, 1975.  
Bachelor of Science, Texas A&M University, 1969.

## Service with GBRA

27 years of experience in the field of water resource, development and management.

## Professional Associations

- ♦ Past President, Texas Recreation and Park Society
- ♦ Member and keynote speaker, Association of State Dam Safety Officials.
- ♦ Member, American Water Works Association and Texas Water Conservation Association.
- ♦ Member, Society of Safety Engineers