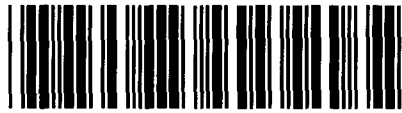


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APPLICATION OF CHUCK BELL §
 DBA CHUCK BELL WATER §
 SYSTEMS, LLC AND UNDINE §
 TEXAS, LLC FOR SALE, TRANSFER, §
 OR MERGER OF FACILITIES AND §
 CERTIFICATE RIGHTS IN §
 JOHNSON AND TARRANT §
 COUNTIES §

PUBLIC UTILITY COMMISSION

OF TEXAS

UNDINE TEXAS, LLC'S SUPPLEMENTAL RESPONSE TO
ORDER NO. 2

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE:

Undine Texas, LLC ("Undine") files this Supplemental Response to Order No. 2. In support thereof, Undine states the following:

I. BACKGROUND

On May 24, 2018, Undine filed with the Public Utility Commission of Texas ("Commission") an application for sale, transfer, or merger of a retail public utility in Johnson and Tarrant Counties ("Application"). On May 30, 2018, the Administrative Law Judge ("ALJ") filed Order No. 1 requiring Commission Staff's Recommendation and directing Undine to provide information and supporting documentation on or before June 4, 2018.

On June 20, 2018, Commission Staff filed their Recommendation on Sufficiency of Application. On June 22, 2018, the ALJ issued Order No. 2 finding that the Application was deficient and incomplete for the reasons specified in the pleading and memorandum of Emily Sears and Gary Horton, Jr. in the Commission's Water Utility Regulation Division. Undine was given until July 20, 2018 to cure the identified deficiencies in the Application. Undine submitted a response on July 20, 2018. Undine hereby supplements that response.

II.

SUPPLEMENTAL APPLICATION INFORMATION PROVIDED

In further response to Order No. 2, Undine hereby files the following information:

Deficiency Items to Resolve

3. Violations

Upon review of the Texas Commission on Environmental Quality's (TCEQ) Central Registry database there appears to be an unresolved violation of the public water systems (PWS), Crowley II Acre Subdivision, associated with Chuck Bell Water Systems for "Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operations conditions". Please submit a statement detailing how the TCEQ violations will be addressed or a letter from the TCEQ indicating that the violations have been resolved.

Response:

Attached as Exhibit A is a January 17, 2018 letter from Charles Marshall, TCEQ to Chuck Bell stating that TCEQ has received adequate compliance documentation to resolve the referenced alleged violations.

Respectfully submitted,

DuBois, Bryant & Campbell, LLP

By: 

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(512) 457-8008 (fax)

Attorneys for Undine Texas, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was served on the persons as indicated below on this the 24th day of July, 2018:

Alexander Petak
Public Utility Commission of Texas
Legal Division
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
alexander.petak@puc.texas.gov

EXHIBIT A

TCEQ LETTER TO CHUCK BELL

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niemann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 17, 2018

Mr. Chuck Bell, Owner
Chuck Bell Water Systems
PO Box 731
Crowley, Texas 76036

Re: Notice of Compliance with Notice of Violation (NOV) dated August 24, 2017:
Crowley II Acre Subdivision, CR 1015, Crowley, Johnson County, Texas
RN 102679842, PWS ID No. 1260012, Investigation No. 1430080, Incident No. 261537

Dear Mr. Bell:

This letter is to inform you that Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office has received adequate compliance documentation on August 10, August 31, September 5, September 29, November 28 and December 27, 2017, to resolve the alleged violations documented during the investigation of the above-referenced regulated entity conducted from July 5 and 25, 2017. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Mr. Gregory Nagel at the D/FW Regional Office at 817-588-5871.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Marshall".

Charles Marshall
Team Leader, Public Water Supply Program
D/FW Regional Office

CM/gpn

Enclosure: Summary of Investigation Findings

Failure to provide a pressure gauge for the Pump Station A pressure tank.

During the file record review investigation, the investigator determined that adequate compliance documentation had been submitted by the water system.

Recommended Corrective Action: Install a functioning pressure gauge for the pressure tank at Pump Station A. Submit pictures of the pressure gauge to the TCEQ DFW Regional Office to document that the alleged violation has been corrected.

Resolution: On August 10, 2017, documentation was received from the water system at the TCEQ D/FW Region Office. Included in the documentation was a picture of the installed pressure gauge for the Pump Station A pressure tank. Based on this documentation, it appears that the water system has adequately corrected the alleged violation.

Track No: 651509

30 TAC Chapter 290.46(r)

Alleged Violation:

Investigation: 1430080

Comment Date: 08/17/2017

Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.

During the comprehensive compliance investigation on July 6, 2017, it was noted that the pressure on the distribution system was below 35 psi. A pressure recorder was installed at the water system from July 18 through July 24, 2017, which documented water pressures ranging from 62 psi to 11 psi.

30 TAC 290.46(r) states all public water systems shall be operated to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions. The system shall also be operated to maintain a minimum pressure of 20 psi during emergencies such as firefighting. As soon as safe and practicable following the occurrence of a natural disaster, a public water system that is an affected utility shall maintain a minimum of 35 psi throughout the distribution system during an extended power outage.

Investigation: 1461241

Comment Date: 01/08/2018

Failure to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.

During the file record review investigation, the investigator determined that adequate compliance documentation had been submitted by the water system.

Recommended Corrective Action: Operate the water system to provide a minimum pressure of 35 psi throughout the distribution system at all times. Make the necessary corrections to the water system facilities in order to maintain a minimum pressure of 35 psi throughout the distribution system. Submit a letter to the TCEQ Region 4 Office with a description of the action taken to ensure acceptable operating pressure is maintained throughout the distribution system. Supporting documentation to include pressure monitoring records of the distribution system should be included in the documentation. If pressure cannot be monitored continuously, monitoring must be performed during peak usage periods of the day.

Resolution: On November 28, 2017, documentation was received from the water system at the TCEQ D/FW Region Office. Included in the documentation was an engineering report and daily pressure recordings from the distribution system from September 25, 2017 through October 9, 2017, indicating a minimum pressure of 35 psi has been maintained under normal operating conditions. Based on this documentation, it appears that the water system has adequately corrected the alleged violation.

Track No: 651511

30 TAC Chapter 290.46(t)

Alleged Violation:

Investigation: 1430080

Comment Date: 08/17/2017

Failure to provide a current system ownership sign at Pump Station B.