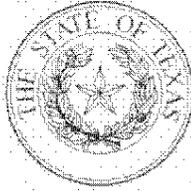


State Office of Administrative Hearings



Cathleen Parsley
Chief Administrative Law Judge

October 22, 2012

Les Trobman, General Counsel
Texas Commission on Environmental Quality
P.O. Box 13087
Austin Texas 787116087

Re: Appeal of Water Rates Established by Riverside Water Supply Corporation; TCEQ
Docket No. 2012-1070-UCR; SOAH Docket No. 582-12-6877

Dear Mr. Trobman:

The Proposal for Decision (PFD) in the above matter is pending before the Texas Commission on Environmental Quality (Commission). In it, I recommend that the Commission find that the Petition appealing Riverside Water Supply Corporation's (Riverside's) new rates is insufficient to invoke the Commission's jurisdiction and grant Riverside's motion to dismiss the Petition. Based on the evidence offered at the preliminary hearing, I could not find that the Petition was signed by at least the legally required 10% of Riverside's ratepayers. I see no reason to change that recommendation.

I am writing to you concerning letters that were filed after the close of the record by Jim Bonney. As indicated in the PFD, Mr. Bonney is a Riverside ratepayer and led the drive to gather ratepayers' signatures on the petition. Mr. Bonney filed a letter with the State Office of Administrative Hearings (SOAH) in September 11, 2012, before the PFD was issued.¹ On October 1, 2012, after the PFD was issued, he also wrote a second letter to the Commission.

Strictly speaking, Mr. Bonney's letters are not exceptions to the PFD. However, I offer a few comments on them to assist the Commission in its deliberations on this matter.

In his letters, Mr. Bonney objects that he was not served before the hearing with a copy of Riverside's motion to dismiss the Petition. That is true. Riverside contends that Mr. Bonney was not a party to the case, and it had no obligation to serve him with a copy of the motion.

¹ While this letter was filed with SOAH, it is not clear to me if it was also filed with the Commission.

Nevertheless, Mr. Bonney fully participated at the preliminary hearing and advocate for the sufficiency of the Petition. As part of that, he was given time to review and orally respond to the motion to dismiss. I do not believe that Mr. Bonney individually or Riverside's ratepayers generally were deprived of any procedural right.

Additionally, Mr. Bonney speaks of his difficulties in obtaining a list of customers from Riverside and then gathering signatures on the Petition. He also objects to Riverside's rates, its process for electing members of its board of directors, and other actions by the Board. In my opinion, these concerns are outside the scope of the current issue before the Commission: whether it has jurisdiction to consider the rate appeal.

Sincerely,

A handwritten signature in cursive script, reading "William G. Newchurch".

William G. Newchurch
Administrative Law Judge

WGN:nl

xc: Attached Service List

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STYLE/CASE: RIVERSIDE WATER SUPPLY CORPORATION
SOAH DOCKET NUMBER: 582-12-6877
REFERRING AGENCY CASE: 2012-1070-UCR

**STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

**ADMINISTRATIVE LAW JUDGE
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