COST UTILITIES SHALL BEAR. Within its certificate area, the utility will pay the cost of the first 200 feet of any sewer collection line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the Texas Commission on Environmental Quality's Rules.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

This section contains the utility's specific extension policy which complies with the requirements already stated under Section 3.01. It must be reviewed an approved by the Commission and in compliance with TCEQ Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest collection line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary treatment capacity necessary to meet the service demands anticipated to be created by that property.

Developers will be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with Texas Commission on Environmental Quality's minimum design criteria for facilities used in collecting, treating, transmitting, and discharging of wastewater effluent. For purposes of this subsection, a developer is one who subdivides or requests more than two connections on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

The utility adopts the administrative rules of the Texas Commission on Environmental Quality, as amended from time to time, as its company specific extension policy. These rules will be kept on file at the company's business office for customer inspection during normal business hours.

Non-residential customers generating sewage creating unique or non-standard treatment demands which might reasonably be expected to cause the utility's treatment facilities to operate outside their current waste-water discharge permit parameters may be charged the cost of all studies, engineering plans, permit costs, and collection treatment or discharge facilities construction or modification costs necessary to enable the utility to treat said sewage

within permit limits acceptable to the Texas Commission on Environmental Quality, EPA and other regulatory agencies. In the alternative, the customer may have the option of pre-treating said sewage in such a manner to that it may not reasonably be expected to cause the utility's facilities to operate outside their permit parameters. In such case, the customer shall be required to pay the utility's costs of evaluating such pretreatment processes and cost of obtaining regulatory approval of such pretreatment processes. In the event of the pretreatment facilities of a customer making this election fail and cause the utility's facilities to operate outside their permit parameters, the customer shall indemnify the utility for all costs incurred for clean ups or environmental remediation and all fines, penalties, and costs imposed by regulatory or judicial enforcement actions relating to such permit violations.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

Non-residential sewer customers producing water borne waste significantly different from waste generated by residential customers may be required to provide a suitable sampling point at the property line for testing the customer's waste for chemicals or substances, e.g., grease, oils, solvents, pesticides, etc., which can reasonably be believed to have an injurious effect on the Utility's plant and/or its ability to treat and dispose of such wastes within the parameters of the Utility's permit. Utility shall have reasonable access to the sampling point at all times.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 291.86(d) and this tariff. When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge based upon the capacities of collection, transmission, storage, treatment and discharge facilities, compliant with the Texas Commission on Environmental Quality minimum design criteria, which must be committed to such extension. As provided by 30 T.A.C. 291.86(d)(4), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

The imposition of additional extension costs or charges as provided by Sections 2.20 and 3.20 of this tariff shall be subject to appeal as provided in this tariff, TCEQ rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be entitled to a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall have the right to appeal such costs to the TCEQ or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located. Unless the TCEQ or other regulatory authority enters interlocutory orders to the contrary, service to the applicant may be delayed until such appeal is resolved.

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service applications forms will be available for applicant pick up at the Utility's

business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

The Utility shall serve each qualified service applicant within its certificated service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by TCEQ rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The TCEQ service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a "qualified service applicant" as defined herein or by TCEQ rules.

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

The Utility is not required to extend service to any applicant outside of its certificated service area and will only do so, at the Utility's sole option, under terms and conditions mutually agreeable to the Utility and the applicant and upon extension of the Utility's certificated service area boundaries by the TCEQ. Service applicants may be required to bear the cost of the service area amendment.

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements of service contained in this tariff, TCEQ rules and/or TCEQ order, (2) has made all payments for tap fees and extension charges, (3) has provided all necessary easements and rights-of-way necessary to provide service to the requested location, including staking said easements or rights-of-way where necessary, and (4) has executed a customer service application for each location to which service is being requested.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. The tap request must be accompanied with a plat, map, diagram or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the connection is to be installed, along the applicant's property line. The actual point of connection must be readily accessible to Utility personnel for inspection, servicing and testing while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's near service main with adequate capacity to service the applicant's full potential service demand. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, applicant may refer the matter to the TCEQ for resolution. Unless otherwise ordered by the TCEQ, the tap or service connection will not be made until the location dispute is resolved.

The Utility shall require a developer (as defined by TCEQ rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's

property. The Developer shall be required to obtain all necessary easements and rights-of-way required to extend the Utility's existing service facilities from their nearest point with adequate service capacity (as prescribed by TCEQ rules and local service conditions) to and throughout the Developer's property. The easements shall be sufficient to allow the construction, installation, repair, maintenance, testing, and replacement of any and all utility plant necessary to provide continuous and adequate service to each and every potential service location within the property at full occupancy. Unless otherwise restricted by law, sewage treatment, holding tank sites, lift station sites shall convey with all permanent easements and buffers required by TCEQ rules. Unless otherwise agreed to by the Utility, pipe line right-of-way easements must be at least 15 feet wide to allow adequate room to

SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

facilitate backhoe and other heavy equipment operation and meters. Easements must be provided for all storage, treatment, pressurization and disposal sites which are sufficient to construct and maintain all weather roads as prescribed by TCEQ rules. All easements shall be evidenced, at Developer's expense, by recorded county-approved subdivision plat or by specific assignment supported by metes and bounds survey from a surveyor licensed by the State of Texas.

Prior to the extension of utility service to developers (as defined by TCEQ rules) or new subdivisions, the Developer shall comply with the following:

(a) The Developer shall make a written request for service to property that is to be subdivided and developed. The Developer shall submit to the Utility a proposed plat on a scale of one inch (1") to two hundred feet (200') for review and determination of required easements, utility plant, and plant location. If sewer service is requested, the plat must contain elevation data. A reconcilable deposit in an amount set by the Utility may be required to cover preliminary engineering, legal and copy cost to be incurred by the Utility in reviewing and planning to meet this service request. The plat and/or accompanying information shall identify the type, location and number of houses and other planned structures that will be requiring utility service. If other than residential structures are to be located on the property, all other types of anticipated businesses and their service demands shall be identified with specificity. All areas requiring special irrigation and/or other unique water demands must be identified. To the extent reasonably possible, this information must be precise so that adequate facilities can be designed and constructed to meet all future service demands without hazard to the public, other utility customers and/or the environment.

(b) After the requirements of easements and rights-of-way have been determined, a red line copy will be returned by the Utility to the Developer for final plat preparation.

(c) Copies of all proposed plats and plans must be submitted to the Utility prior to their submission to the county for approval to insure that they are

compatible with the adequate long-term utility needs of potential service customers. Copies will be returned after review by the Utility so that necessary changes may be incorporated into the Developer's final submitted plat(s) and plans.

(d) The Utility shall be provided with three (3) certified copies of the final plat(s) approved by the County Commissioners Court. At this time, the Utility will begin engineering the facilities necessary to serve the property. Plans and specifications will be prepared and submitted to the TCEQ by the Utility if required by law. If further plat or plans changes are necessary to accommodate the specific service needs of the property and the anticipated customer demands, the Developer will be so notified. Plat amendments must be obtained by the Developer. The Developer shall be notified when all required TCEQ or other governmental approvals or permits have been received. No construction of utility plant which requires prior TCEQ plans approval shall be commenced until that approval has been received by the Utility and any conditions imposed by the TCEQ in association with its approvals have been satisfied.

(e) The Developer shall be required to post bond or escrow the funds necessary to construct all required utility plant, except individual sewer connections, required to serve the property. Construction shall not commence until funds are available. If the construction is to be done in coordination with the phased development of the property, funds must be provided in advance which are sufficient to complete each phase. No phase or facilities for any phase shall be constructed prior to the bonding or escrowing of all funds associated with that phase.

(f) At the sole option of the Utility, the Developer may be required to execute a Developer Extension Contract setting forth all terms and conditions of extending service to their property including all contributions-in-aid of construction and developer reimbursements, if any.

(g) The Utility may require the Developer to commence construction of subdivision improvements within three (3) months of utility plans approval or the Utility may abate its construction activities until full development construction begins. If the Developer stops construction of subdivision improvements for any purpose, the Utility may abate its construction for a similar period.

(h) As soon as the roads are rough cut and prior to paving, extension lines will need to be constructed at each road crossing. The Developer must notify the Utility sufficiently in advance of this development stage to allow for the necessary utility construction without disruption to other service operations of the Utility. Failure to provide adequate advance notice and cooperation in the construction of necessary utility plant may result in additional delays in obtaining service to the property. The Developer shall be required to pay for all additional costs of road boring or other remedial construction necessary to install adequate utility plant throughout the affected property.

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SECTION 3.20--SPECIFIC UTILITY EXTENSION POLICY

Within its certificated area, the Utility shall bear the cost of the first 200 feet of any water main or sewer collection line necessary to extend service to an individual residential service applicant within a platted subdivision unless the Utility can document:

(a) that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility; or,

(b) that the Developer defaulted on the terms and conditions of a written agreement or contract existing between the utility and the developer or the terms of this tariff regarding payment for services, extensions, or other requirements; or in the event the Developer declared bankruptcy and was therefore unable to meet obligations; and,

(c) that the residential service applicant purchased the property from the Developer after the Developer was notified of the need to provide facilities to the utility. A residential service applicant may be charged the remaining costs of extending service to his property; provided, however, that the residential service applicant may only be required to pay the cost equivalent to the cost of extending the nearest water main or wastewater collection line, whether or not that line has adequate capacity to serve that residential service applicant. The following criteria shall be considered to determine the residential service applicant's cost for extending service:

(a) the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

(b) Exceptions may be granted by the TCEQ Executive Director if:

(1) adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;

(2) larger minimum line sizes are required under subdivision platting requirements or applicable building codes.

(c) If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certificated area, industrial, and wholesale customers shall be treated as developers.

DOUGLAS UTILITY COMPANY
32 E Rivercrest Dr., Houston, Texas 77042
(713) 783-4553

CONTRACT/APPLICATION FOR UTILITY SERVICE

All utility services to be provided hereunder shall be subject to all terms and conditions of Utility's state-approved tariff(s) and the rules of the Texas Commission on Environmental Quality ("TCEQ")

This Contract/Application for Utility Service ("Contract/Application") is by and between DOUGLAS UTILITY COMPANY, a Texas corporation, ("Utility") and the applicant ("Customer" or "Applicant") whose name and signature is shown below at the end of this document.

CUSTOMER LIABILITY: Customer shall be liable for any damage or injury to Utility-owned property or personnel by the customer or others under his control. Customer agrees to take no action to create a health or safety hazard or otherwise endanger, injure, damage or threaten Utility's plant, its personnel, or its customers.

LIMITATION ON UTILITY=S PRODUCT/SERVICE LIABILITY: Public water utilities are required to deliver water to the customer's side of the meter or service connection which meets the potability and pressure standards of the TCEQ. Utility will not accept liability for any injury or damage occurring on the customer's side of the meter. Utility will not accept liability for injuries or damages to persons or property due to disruption of water service caused by: (1) acts of God, (2) acts of third parties not subject to the control of Utility, (3) electrical power failures, or (4) termination of water service pursuant to Utility's tariff and the TCEQ rules.

FIRE PROTECTION: Utility is not required by law and does not provide fire prevention or fire fighting services. Utility therefore does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies.

PLUMBING CODE: Utility has adopted the Southern Plumbing Code. Utility has further adopted its own specific plumbing rules contained in its tariff. Any extensions and/or new facilities shall comply with that code and all standards established by the TCEQ. Where conflicts arise, the more stringent standard must be followed. The piping and other equipment on the premises furnished by the Customer will be maintained by the Customer at all times in conformity with the requirements of the applicable regulatory authorities and all tariffed service rules of Utility. No other water service will be used by the Customer on the same property in conjunction with Utility's service, either by means of a cross-over valve or any other connection. Customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

The following undesirable plumbing practices are prohibited by state regulations. Other prohibitions are found in the Southern Plumbing Code and/or Utility's tariff.

A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public drinking water system by an air-gap only.
B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap only.
C. No connection that allows water to return to the public drinking water supply is permitted.
D. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing at any connection that provides water for human use.
E. No solder or flux that contains more than 0.2% lead can be used for the installation or repair of plumbing of any connection that provides water for human use.

RIGHT OF ACCESS AND EASEMENTS: Utility will have the right of access and use of the Customer's premises at all reasonable times for the purpose of installing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of Utility's system. If the property to be served does not have dedicated, recorded public utility easements available for Utility's use in providing water utility service to the property, the Applicant (or the Applicant's landlord in the case of a tenant applicant) shall be required to provide Utility with a recorded permanent easement as a condition of service. Such easement shall be in a location acceptable to Utility and shall be for a corridor no less than fifteen (15) feet in width.

LANDLORD GUARANTEE: Applications by tenants must be countersigned by the fee owner of the property. By signing the application, the landlord grants all required rights of access and easements.

PLUMBING INSPECTION: State law requires applicants for service at new consuming facilities or facilities which have undergone extensive plumbing modifications to deliver to Utility a certificate that their facilities have been inspected by a state-licensed inspector and that they are free of cross-connections and potential hazards to public health and safety. When potential sources of contamination are identified that require the installation of a backflow prevention device, such backflow flow prevention device shall be installed, tested and maintained at the customer's expense.

SEWER REGULATIONS: *(only if sewer service provided)* The utility only provides "sewage" collection and disposal service to the public. This service is limited to the collection, treatment and disposal of waterborne human waste and waste from domestic activities such as washing, bathing, and food preparation. This service does not include the collection, treatment or disposal of waste of such high BOD or TSS characteristics that it cannot reasonably be processed by the utility's state-approved wastewater treatment plant within the parameters of the utility's wastewater discharge permit. **THIS SERVICE DOES NOT INCLUDE THE COLLECTION AND DISPOSAL OF STORM WATERS OR RUN OFF WATERS, WHICH MAY NOT BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM. NO GREASE, OIL, SOLVENT, PAINT, OR OTHER TOXIC CHEMICAL COMPOUND MAY BE DIVERTED INTO OR DRAINED INTO THE UTILITY'S COLLECTION SYSTEM.** It shall be the customer's responsibility to maintain the service line and appurtenances in good operating condition, i.e., clear of obstruction, defects, or blockage. If there is excessive, infiltration or inflow or failure to provide proper pretreatment, the utility may require the customer to repair the line or eliminate the infiltration or inflow or take such actions necessary to correct the problem.

CUSTOMER AGREEMENT: By signing this application for public utility service, I agree to comply with utility's rules and tariff and all rules and regulations of applicable regulatory agencies. I guarantee prompt payment of all utility bills for the service address printed above. I will remain responsible for utility bills until the day service is terminated at my request. I agree to take no action to create a health hazard or otherwise endanger, injure, damage or threaten utility's plant, its personnel, or its customers. I agree to put no unsafe, non-domestic service demands on utility's system without notice to and permission from utility.

1. Name of applicant*: _____
Applicant is: Landowner _____ Tenant _____
Driver Lic. # _____ SS# _____
* *This is the person or other entity in whose name service will be rendered and who will responsible of all service and other bills unless otherwise indicated in No. 10 and signatures blocks below.*

2. Address or location of requested service. (Attach plat or drawing if new development):
_____
Subdivision: _____ Block: _____ Lot: _____

3. Type of service: Water _____ Sewer** _____ Both** _____
residential _____ permanent _____
commercial _____ temporary _____
industrial _____ temporary service termination
developer _____ date: _____

4. Purpose for which water is to be used: Residential _
(Explain) _____

List all toxic or hazardous chemicals to be used at ser
typically used in a home or office:**

_____

6. Will any waste generated at this service location requ
yes _____ no _____ What type _____
Why is special treatment needed _____

7. Will service location have food grinder, grease trap or
yes _____ no _____ type _____

8. Water volume and pressure requirements (to be comp
Gallons: Annual _____ highest day _____
Pressure required: Low _____ Average _____ High __
Special service requirements _____

9. Will a deposit be paid? yes ___ no ____
If no deposit, reason for exemption. _____

10. Person responsible for utility service bills (*if not the a*
Name: _____
Relationship to Applicant: _____
Drivers Lic. # _____ SS # _____
Telephone (____) ____-_____ Home _____
Billing address if different from service location addres
_____

11. Date of application: _____ Date to I

12. Is public utility easement required? yes _____ no _
Recording information: Vol. ____ Page ____, Plat/Re

** *only if sewer service is provided*

APPLICANT

_____

BY: _____, Title _____
(To be signed by the person applying for service)

LANDLORD

BY: _____, Title _____
(By signing, the landlord grants all required rights of access to the Utility. Landlord must sign if the applicant is a tenant.)

GUARANTOR or ALTERNATE BILL PAYER in No. 10 above

BY: _____, Title _____
(By signing, guarantor guarantees payment for all water utility charges, related fees and damage caused by applicant.)

UTILITY

BY: _____ _____
Utility Representative Acceptance Date

July 26, 2010

CERTIFIED MAIL #7006 0100 0001 9938 3009
RETURN RECEIPT REQUESTED

Mr. Herbert Zieben, Owner
Douglas Utility Company
5326W. Belfort Street, Suite 120
Houston, Texas 77035-3036

Re: Notice of Violation for the Compliance Evaluation Investigation at:
Fountainview Subdivision, 5619 Aldine Bender, Harris County, Texas
TCEQ ID No. 1010127, Investigation No. 827660660

Dear Mr. Zieben:

On May 27, 2010, Mr. Huyen D. Luu, P.E. of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with the applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. During the investigation, the investigator resolved 3 apparent instances of noncompliances noted during the previous investigation dated January 30, 2006. In addition, other outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by January 31, 2011, a written description of the corrective action taken and the required documentation demonstrating that compliance has been achieved for these outstanding alleged violations.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment.

If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the Houston Region Office within 10 days from the date of this letter. At that time, Leticia De Leon, Team Leader, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter OR specified date at specific time*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of the contested violations.

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If you or members of your staff have any questions, please feel free to contact Mr. Huyen D. Luu in the Houston Region Office at 713/767-3650

Sincerely,

Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office

LD/HDL/ra

cc: Harris County Public Health and Environmental Services

Enclosure: Summary of Investigation Findings
Well plugging report

Summary of Investigation Findings

FOUNTAINVIEW SUBDIVISION **Investigation # 827660**

5619 ALDINE BENDER RD **Investigation Date: 05/27/2010**

HOUSTON, HARRIS COUNTY, TX 77032

Additional ID(s): 1010127

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 44201 **Compliance Due Date: 10/20/2010**

30 TAC Chapter 290.45(g)(2)(B)
30 TAC Chapter 291.93(3)

Alleged Violation:

Investigation: 60137 Comment Date: 05/19/2003

Adequacy of Water Utility Service

Failure, by a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in Chapter 290 T.A.C., to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area. A report is not required if the source of supply available to the utility service provider is reduced to below the 85% level due to a court or agency conservation order unless that order is expected to extend for more than 18 months from the date it is entered in which case a report shall be required.

(A) After any commission field inspection, a retail public utility must analyze the system's capacity to determine if it has reached 85% of its capacity. If the retail public utility has reached 85% of its capacity, it must file this report no later than 90 days after the date of a commission letter detailing the results of the inspection. Capacity is considered to be the overall rated capacity in number of residential connection equivalents based on the most restrictive criteria for production, treatment, storage, or pumping. At the time of the investigation the system pressure tank is at 100% and the ground storage is at 93% of its capacity.

(B) The report should be submitted in writing and should contain the following:

(i) a brief description of the overall utility system and service area;

(ii) an analysis of the plant capacity as defined in subparagraph (A) of this paragraph;

(iii) details on how the retail public utility will provide service to the remaining areas within the boundaries of its certificated area. This includes projections of cost and expected design and installation dates for additional facilities.

(C) The executive director may waive or limit the reporting requirements if the retail public utility demonstrates that the projected growth of the area will not require the retail public utility to exceed 100% of its current capacity for the next five years.

(D) Any retail public utility required to file reports under this section of the rules, including those requesting waivers, shall file updated reports within 90 days after the retail public utility receives a copy of each subsequent commission field inspection report until the system demand is below 85% capacity.

Investigation: 453823 Comment Date: 03/16/2006

Failure to submit an 85% planning report.

Specifically, it is noted that your ground storage tanks have reached 108 % of its capacity.
Specifically, it is noted that your pressure tanks have reached 121 % of its capacity.

This is calculated by the following:
181000 gallons, the required ground storage / 168000 gallons, the provided ground storage capacity= 108 % ground storage capacity
18100 gallons, the required pressure tank / 15000 gallons, the provided pressure tank = 121 % pressure tank capacity
Investigation: 616654 Comment Date: 01/31/2008

Failure to provide an 85% planning report addressing the ground storage and pressure tank capacities reaching 85% of their capacity.

Please be advised that you are responsible for correcting this remaining violation.
Investigation: 827660 Comment Date: 07/13/2010

Adequacy of Water Utility Service

Failure, by a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in Chapter 290 T.A.C., to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area. A report is not required if the source of supply available to the utility service provider is reduced to below the 85% level due to a court or agency conservation order unless that order is expected to extend for more than 18 months from the date it is entered in which case a report shall be required.

(A) After any commission field inspection, a retail public utility must analyze the system's capacity to determine if it has reached 85% of its capacity. If the retail public utility has reached 85% of its capacity, it must file this report no later than 90 days after the date of a commission letter detailing the results of the inspection. Capacity is considered to be the overall rated capacity in number of residential connection equivalents based on the most restrictive criteria for production, treatment, storage, or pumping.

(B) The report should be submitted in writing and should contain the following:

(i) a brief description of the overall utility system and service area;

(ii) an analysis of the plant capacity as defined in subparagraph (A) of this paragraph;

(iii) details on how the retail public utility will provide service to the remaining areas within the boundaries of its certificated area. This includes projections of cost and expected design and installation dates for additional facilities.

(C) The executive director may waive or limit the reporting requirements if the retail public utility demonstrates that the projected growth of the area will not require the retail public utility to exceed 100% of its current capacity for the next five years.

(D) Any retail public utility required to file reports under this section of the rules, including those requesting waivers, shall file updated reports within 90 days after the retail public utility receives a copy of each subsequent commission field inspection report until the system demand is below 85% capacity.

In this connection, it was noted on this investigation that your ground storage tank has reached 85% , pressure tank has reached 90% and well capacity has reached 100% of their capacity. This was based on 908 connections.

Compliance Documentation: Submit a planning report within 90 days to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P.O. Box 13087, Austin, TX 78711-3087; phone number (512) 239-4798.

Recommended Corrective Action: Submit the planning report within 90 days to verify compliance.

Summary of Investigation Findings

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Track No: 405567 **Compliance Due Date: 01/20/2010**
30 TAC Chapter 290.45(b)(1)(D)(i)

Alleged Violation:
Investigation: 827660 Comment Date: 07/14/2010

Capacity Requirements

Failure to provide a minimum total well capacity of 0.6 gallons per minute per connection. Systems with 250 connections or more must provide two or more wells or an approved emergency interconnection which can supply at least 0.35 gallons per minute per connection in the combined system under emergency conditions.

At the time of the inspection the facility had a total of 908 active connections and is required to provide 0.6 gallons per minute (gpm) per connection (conn). Your well produced a total of 540 gpm and is short a total of 4 gpm. This is calculated in the following manner:

Required 0.6gpm /conn X 908 conn. = 544 gpm Total
Short 544 gpm Required - 540 gpm Produced = 4 gpm Total

Also, it was noted during the investigation that the water system does not have interconnection with any other public water system. Well No. 2 at Plant No. 2 (Aldine Bender) is inoperable. If the water well at Plant No.1 is out, the only operable well at Plant No. 2 (well # 1) will not be able to provide at least 0.35 gallons per connection.

Your water system must be modified to meet these requirements to assure an adequate supply of water at all times.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the systems production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to these requirements by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-4798.

Recommended Corrective Action: Submit a compliance plan, engineering report or certification OR a copy of a letter requesting an exception in addition to a compliance plan for final compliance, OR a copy of a letter granting an exception to verify compliance.

Track No: 405572 **Compliance Due Date: 01/31/2011**
30 TAC Chapter 290.46(m)

Alleged Violation:
Investigation: 827660 Comment Date: 07/13/2010

Operating Practices for Public Water Systems

Failure to properly maintain the regulated entity by not:

1. cleaning and repainting the pressure tank at Plant No. 1.
2. removing the peeling paint from the ground storage tank at Plant No. 1.

Recommended Corrective Action: Submit photo or work orders showing that the pressure tank has been cleaned and repainted, and peeling paint from the ground storage tank at plant 1 has been removed.

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 44195

Summary of Investigation Findings

FOUNTAINVIEW SUBDIVISION **Investigation # 827660**

30 TAC Chapter 290.45(b)(1)(D)(iv)

Alleged Violation:

Investigation: 60137 Comment Date: 05/19/2003

Design and Construction of Pressure Tanks

Failure to inspect the pressure tanks annually, to determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and that the tank remains in a watertight condition. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

The results of these inspections must be recorded and maintained for at least five years, per §290.46(f)(3)(D)(ii). The records must be available for review by Commission staff during annual sanitary surveys of the system.

Investigation: 453823 Comment Date: 03/16/2006

Capacity Requirements

Failure to meet this Agency's Minimum Water System Capacity Requirements. These requirements include:

an elevated storage capacity of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection must be provided.

At the time of the investigation the entity provided a pressure tank capacity of 17 gals/connections, based on 905 connections.

This is calculated by the following: 15000 gals/905conn= 17 gals/conn
The entity is short 3 gals/conn and 3100 gals of ground storage capacity
20 gals/conn required - 17 gals/conn provided = 3 gals/conn
18100 gals required - 15000 gals provided = 3100 gals

Your water system must be modified to meet this requirement to assure an adequate supply of water at all times.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to this requirement by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P.O. Box 13087, Austin, TX 78711-3087; phone: (512) 239-4798.

Investigation: 616654 Comment Date: 01/31/2008

Failure to provide a pressure tank capacity of 20 gallons per connection.

Please be advised that you are responsible for correcting this remaining violation.

Investigation: 827660 Comment Date: 07/12/2010

Failure to provide a pressure tank capacity of 20 gallons per connection.

Recommended Corrective Action: Submit a compliance plan, engineering report or certification OR a copy of a letter requesting an exception in addition to a compliance plan for final compliance, OR a copy of a letter granting an exception to verify compliance.

Resolution: With 908 connections, pressure tank capacity requirement for the sytem is 18,160 gallons. At the time of the investigation, the system has 2 pressure tanks with total capacity of 20,000 gallons. The violation is resolved.

Track No: 231246

30 TAC Chapter 290.45(b)(1)(D)(ii)

Summary of Investigation Findings

FOUNTAINVIEW SUBDIVISION **Investigation # 827660**

Alleged Violation:

Investigation: 453823 Comment Date: 03/15/2006

Capacity Requirements

Failure to meet this Agency's Minimum Water System Capacity Requirements. These requirements include:

total storage capacity of 200 gallons per connection.

At the time of the investigation the entity provided a total storage capacity of 186 gals/connections, based on 905 connections.

This is calculated by the following: 168000 gals/905conn= 186 gals/conn
The entity is short 14 gals/conn and 13000 gals of ground storage capacity
200 gals/conn required - 175 gals/conn provided = 14 gals/conn
181000 gals required - 168000 gals provided = 13000 gals

Your water system must be modified to meet this requirement to assure an adequate supply of water at all times.

Please be advised that public water systems shall notify the executive director prior to making any significant change or addition to the system's production, treatment, storage, or distribution facilities. Public water systems shall submit plans and specifications for the proposed changes upon request.

The water system may request an exception to this requirement by writing to TCEQ, Water Supply Division, Public Drinking Water Section, Technical Review & Oversight, MC 155, P O Box 13087, Austin, TX 78711-3087; phone: (512) 239-4798.

Investigation: 616654 Comment Date: 01/31/2008

Failure to provide a total storage capacity of 200 gallons per connection.

Please be advised that you are responsible for correcting this remaining violation.

Investigation: 827660 Comment Date: 07/12/2010

Failure to provide a total storage capacity of 200 gallons per connection.

Recommended Corrective Action: Submit a compliance plan, engineering report or certification OR a copy of a letter requesting an exception in addition to a compliance plan for final compliance, OR a copy of a letter granting an exception to verify compliance.

Resolution: With 908 connections, ground storage capacity requirement for the system is 181,600 gallons. At the time of the investigation, the system has three ground storage tanks with total capacity of 213, 000 gallons. The violation is resolved.

Track No: 231426

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 453823 Comment Date: 03/16/2006

Operating Practices for Public Water Systems

Failure to properly maintain the regulated entity by not removing the pressure tank and ground storage tank at Plant 1.

It was noted that the ground storage tank and pressure tank located at Plant 1 had not been in service since 1999. These pressure and storage facilities need to be removed from the plant.

Investigation: 616654 Comment Date: 01/31/2008

Failure to properly maintain the regulated entity by not removing the pressure tank and ground storage tank at Plant 1 that are not in service.

Summary of Investigation Findings

Please be advised that you are responsible for correcting this remaining violation.
Investigation: 827660 Comment Date: 07/12/2010

Failure to properly maintain the regulated entity by not removing the pressure tank and ground storage tank at Plant 1 that are not in service.

Recommended Corrective Action: Submit a photo, invoice, receipt, or work order showing that the out of service pressure tank and ground storage tank at Plant 1 have been removed to verify compliance.

Resolution: The unused ground storage tank and pressure tank at plant # 1 have been removed. This violation is resolved.

ADDITIONAL ISSUES

Description	Additional Comments
Other violations noted during the investigation? (If non-compliant then describe violation in the comment section.)	30 TEX. ADMIN. CODE, '290.46(u) Abandoned Wells Failure to plug an inoperable public water supply well (well#2 At plant #2) owned by the system, with cement according to 16 TAC Chapter 76 (relating to Water Well Drillers and Water Well Pump Installers). This issue shall be treated as an Additional Issue and notice sent to the Well Drills Board of the abandoned well in accordance with agency policy. We have enclosed a copy of the plugging report which must be submitted when the operation has been completed.

Summary of Investigation Findings

User: Chip Callegari, Permittee User

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

View Certification | Download COR | View COR Signature | Download COR Sig. Public Key

DMR Copy of Record

Permit

Permit #: TX0031461
Major:

Permittee: DOUGLAS UTILITY COMPANY
Permittee Address: 1MI W HWY 59/0.45 W LEE RD HOUSTON, TX 77032

Facility: FOUNTAINVIEW WWTF
Facility Location: 1M W HWY 59 & APPROX 0.45M W OF LEE RD HOUSTON, TX 77032

Permitted Feature: 001 External Outfall

Discharge: **001-A** DOMESTIC FACILITY - 001

Report Dates & Status

Monitoring Period: **From 09/01/12 to 09/30/12**
DMR Due Date: **10/20/12**
Status: **NetDMR Validated**

Considerations for Form Completion

FOR TKN SEE OTHER REQUIREMENT NO. 4, PAGE 31 OF PERMIT.

Principal Executive Officer

First Name:
Last Name:
Title:
Telephone:

No Data Indicator (NODI)

Form NODI: --

Parameter Code	Parameter Name	Monitoring Location	Season #	Param. NODI		Quantity or Loading Qualifier 1	Value 1	Qualifier 2	Value 2	Units	Quality or Concentration Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units	# of Ex.	Frequency of Analysis	Sample Type
00300	Oxygen, dissolved (DO)	1 - Effluent Gross	0	--	Sample						=	6.01					19 - mg/L		01/07 - Weekly	GR - GRAB
					Permit Req.						>=	4 MO MIN					19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															
00400	pH	1 - Effluent Gross	0	--	Sample						=	7.48			=	7.73	12 - SU		01/07 - Weekly	GR - GRAB
					Permit Req.						>=	6 MINIMUM			<=	9 MAXIMUM	12 - SU	0	01/30 - Monthly	GR - GRAB
					Value NODI															
00530	Solids, total suspended	1 - Effluent Gross	0	--	Sample	=	0.8			26 - lb/d			=	2.38	=	3.8	19 - mg/L		01/07 - Weekly	GR - GRAB
					Permit Req.	<=	48 DAILY AV			26 - lb/d			<=	15 DAILY AV	<=	60 SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															

9/1

Parameter Code	Parameter Name	Monitoring Location	Season #	Param. NODI		Quantity or Loading Qualifier 1	Value 1	Qualifier 2	Value 2	Units	Quality or Concentration Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units	# of Ex.	Frequency of Analysis	Sample Type
					Sample	<	0.04			26 - lb/d			<	0.1	<	0.1	19 - mg/L		01/07 - Weekly	GR - GRAB
00610	Nitrogen, ammonia total (as N)	1 - Effluent Gross	0	--	Permit Req.		Req Mon DAILY AV			26 - lb/d				Req Mon DAILY AV		Req Mon SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															
					Sample	=	0.153	=	0.276	03 - MGD									99/99 - Continuous	TM - TOTALZ
50050	Flow, in conduit or thru treatment plant	1 - Effluent Gross	0	--	Permit Req.	<=	.38 DAILY AV		Req Mon DAILY MX	03 - MGD								0	05/WK - Five Per Week	IN - INSTAN
					Value NODI															
					Sample						=	1.17			=	2.89	19 - mg/L		05/WK - Five Per Week	GR - GRAB
50060	Chlorine, total residual	1 - Effluent Gross	0	--	Permit Req.						>=	1 MO MIN			<=	4 MO MAX	19 - mg/L	0	05/WK - Five Per Week	GR - GRAB
					Value NODI															
					Sample								<	1	<	1	3Z - CFU/100mL		01/30 - Monthly	GR - GRAB
51040	E. coli	1 - Effluent Gross	0	--	Permit Req.								<=	63 DAILY AV	<=	197 SINGGRAB	3Z - CFU/100mL	0	01/30 - Monthly	GR - GRAB
					Value NODI															
					Sample	<	1			26 - lb/d			<	3	=	3	19 - mg/L		01/07 - Weekly	GR - GRAB
80082	BOD, carbonaceous, 05 day, 20 C	1 - Effluent Gross	0	--	Permit Req.	<=	32 DAILY AV			26 - lb/d			<=	10 DAILY AV	<=	35 SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analsyis, and Sample Type.

Edit Check Errors

No errors.

Comments

REVISED: Changed Frequency of Analysis for the Flow Parameter to Continuous, and the sample type to totalizer.

Attachments

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No attachments.

Report Last Saved By

DOUGLAS UTILITY COMPANY

User:	Chip Callegari	Date/Time:	2012-10-29 14:26 (Time Zone: -05:00)
Name:	Chip Callegari		
E-Mail:	megans@tng-utility.com		

Certification Statement

I certify under penalty of law that this submission was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are criminal penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. By entering my password and security question answer and pressing the Submit button, I agree that:

1. I am Chip Callegari.
2. I have not violated any term in my Electronic Signature Agreement.
3. I am otherwise without any reason to believe that the confidentiality of my password has been compromised now or at any time prior to this submission.
4. I have the authority to submit these data on behalf of the listed facilities.
5. This action constitutes an electronic signature equivalent to my written signature.
6. I understand that this attestation of fact pertains to the implementation, oversight, and enforcement of a federal environmental program and must be true to the best of my knowledge.

Submission Information

Name:	Chip Callegari	Date/Time:	2012-10-29 14:26 (Time Zone: -05:00)
User:	Chip Callegari	E-Mail:	megans@tng-utility.com
Submitter Telephone:	281-350-0895	Submitter Ip:	69.15.162.1
Confirmation Code:	2852abf4-4da4-40fb-af3a-508464040579		
Submitter Hashed Password:	a15c027c762542d8f6aedc68d232ee3446716dd8331b09343703b42f605f1e7c		
DMR Hash:	59fec8cbe083a8c0dd7d2ae86f5a9f10b46605a38568819049c1728388982502		
NetDMR Certificate Id:	4		
Certificate Alias:	netdmr uat sample certificate 2		

See the Test Support Page for utilities to facilitate testing.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 3, 2012

CERTIFIED MAIL 7010 1670 0000 1183 3358
RETURN RECEIPT REQUESTED

Herbert Zieben, Board President
Douglas Utility Company
32 East Rivercrest Drive
Houston, Texas 77042

Re: Notice of Violation for the Compliance Evaluation Investigation at:
Fountainview Wastewater Treatment Plant
5530 North Sam Houston Parkway East, Houston (Harris County), Texas
TCEQ ID No.: 11200-001, EPA ID No.: TX0031461

Dear Mr. Zieben:

On February 9, 2012, Denise Tom of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by May 3, 2012 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at http://www.tceq.state.tx.us for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at (713) 767-3650 or the Central Office Publications Ordering Team at (512) 239-0028. Copies of applicable federal regulations may be obtained by calling Environmental Protection Agency's Publications at (800) 490-9198.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the

Houston Region Office within 10 days from the date of this letter. At that time, Ms. Elizabeth Sears, Water Quality Team Leader will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Tom in the Houston Region Office at (713) 767-3698.

Sincerely,

Elizabeth Sears
Team Leader
Water Quality Management
Region 12 Houston

EWS/DJT/cs

cc: Megan Smith, Compliance Coordinator, TNG Utility Corp., P.O. Box 2749, Spring, Texas 77383

Enclosure: Summary of Investigation Findings

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Summary of Investigation Findings

DOUGLAS UTILITY FOUNTAINVIEW
5326 W BELLFORT ST STE 120
HOUSTON, HARRIS COUNTY, TX 77035

Additional ID(s): TX0031461
WQ0011200001

Investigation # 984076
Investigation Date: 02/09/2012

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 461768 **Compliance Due Date:** 03/09/2012
30 TAC Chapter 305.125(5)
30 TAC Chapter 317.4(g)(4)

Alleged Violation:
Investigation: 984076 Comment Date: 03/19/2012

Failed to maintain the required number of operational blowers. Specifically, the back-up blower was inoperable. The blowers shall be designed so that the maximum design air requirements can be met with the largest single unit out of service.

Recommended Corrective Action: Submit documentation indicating that the back-up blower has been repaired or replaced.

Track No: 461769 **Compliance Due Date:** 03/09/2012
30 TAC Chapter 317.3(c)

Alleged Violation:
Investigation: 984076 Comment Date: 03/27/2012

Failed to provide a standby pump at the lift station. Specifically, a standby pump at the off-site lift station was not available. An operational standby pump shall be provided in order to ensure that the firm pumping capacity be such that the expected peak flow can be pumped to its desired location.

Recommended Corrective Action: Submit documentation indicating that a standby pump at the off-site lift station has been installed.

Track No: 461771 **Compliance Due Date:** 03/09/2012
30 TAC Chapter 317.3(e)(5)

Alleged Violation:
Investigation: 984076 Comment Date: 03/19/2012

Failed to provide the required alarm system. Specifically, an audible alarm was not provided at the off-site lift station. An audio-visual alarm system (red flashing light and horn) shall be provided for all lift stations. The alarm system shall be activated in case of power outage, pump failure, or a specified high water level.

Recommended Corrective Action: Submit documentation indicating that the required alarm system at the off-site lift station has been installed.

Track No: 461782 **Compliance Due Date:** 03/09/2012
30 TAC Chapter 319.5(b)
PERMIT WQ0011200001, ELMR, No. 1
Effluent Limitations and Monitoring Requirements, No. 1, p. 2

Alleged Violation:

Investigation: 984076 Comment Date: 03/27/2012

Failed to collect effluent samples at the required frequency. Specifically, E. coli samples were not collected in August 2011, September 2011, or November 2011. E. coli samples are required to be collected monthly. Samples shall be taken and measurements shall be made at the minimum frequencies specified in the permit for each parameter.

Recommended Corrective Action: Submit a standard operating procedure for the collection and analysis of E. coli samples.

Track No: 461798 **Compliance Due Date: 03/17/2012**
30 TAC Chapter 305.125(7)
30 TAC Chapter 305.126(b)

PERMIT WQ0011200001, Permit Conditions, No. 1
Permit Conditions, No. 1, p. 9

Alleged Violation:

Investigation: 984076 Comment Date: 03/20/2012

Failed to submit the proper notification before physical alterations were made to the permitted facility. During the investigation, it was noted that the wastewater treatment plant was not operated in the contact stabilization mode, as described in the permit renewal application. A permit application for a minor amendment must be submitted reflecting the change in the mode of operation.

Recommended Corrective Action: Submit a permit application for a minor amendment to the Wastewater Permits Section and a copy to the Houston Region Office.

Track No: 461813 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(19)

Alleged Violation:

Investigation: 984076 Comment Date: 03/20/2012

Failed to accurately complete the discharge monitoring reports (DMRs). Specifically, during a review of the records from February 2011 - December 2011, the total chlorine residual was analyzed six days per week, and the flow was measured with a totalizer. The frequencies of analysis were not correctly reported on the DMRs. The sample type for flow was also incorrectly reported. All effluent data must be accurately reported on the DMRs.

Recommended Corrective Action: Submit a correctly completed DMR to the Houston Region Office and the Enforcement Division (MC 224).

Track No: 462271 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(5)

Alleged Violation:

Investigation: 984076 Comment Date: 03/23/2012

Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, the catwalk and support beams along the digester and aeration basin were pitted with rust. In addition, rusting was noted along the walls of the chlorine contact basin. The areas pitted with rust must be repaired or replaced.

Recommended Corrective Action: Submit documentation indicating that the areas pitted with rust have been repaired or replaced.

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	Douglas Utility Company / Fountainview WWTF			**TCEQ Add. ID No. RN No. (optional)**	11200-001		
Investigation Type	CCI	**Contact Made In-House (Y/N)**	Y	**Purpose of Investigation**	Compliance Investigation		
Regulated Entity Contact	Megan Smith			**Telephone No.**	281-350-0895	**Date Contacted**	2/1/12
Title	Compliance Coordinator			**Fax No.**	~~832~~ 281-397-6	**Date Faxed**	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations*. Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	**Type[1]**	**Rule Citation (if known)**	**Description of Issue**
1	AV		Failed to provide a backup blower for the WWTP. - manufacturer.
2	AV		Failed to provide a backup pump for the off-site lift station.
3	AV		Failed to provide an audible alarm for the off-site lift station
4	AV		Failed to properly complete the DMRs - frequency of analysis for flow and chlorine incorrect; sample type for flow incorrect
5	AV		Failed to collect E.coli samples in 8/11, 9/11, + 4/11.
6	O		Rusting at plant along the walls of the chlorine contact chamber + along the catwalk + its support beams along the digester + reaeration basin

[1] Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	☐ Yes	☑ No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	☐ Yes	☑ No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Denise Tam	2/9/12	Megan Smith	2/9/12
Investigator Name (Signed & Printed)	**Date**	**Regulated Entity Representative Name (Signed & Printed)**	**Date**

If you have questions about any information on this form, please contact your local TCEQ Regional Office.
Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

White Copy: Regulated Entity Representative **Yellow Copy: TCEQ**
TCEQ-20085 (Rev. 6/07)

(Note: Use additional pages as necessary) Page 1 of 1

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TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested

Regulated Entity/Site Name	Douglas Utility Company/ Fountainview WWTF			TCEQ Add. ID No. RN No. (optional)	11200-001		
Investigation Type	CCI	Contact Made In-House (Y/N)	Y	Purpose of Investigation	Compliance Investigation		
Regulated Entity Contact	Megan Smith			Telephone No.	281.350.0895	Date Contacted	2/1/12
Title	Compliance Coordinator			Fax No.	832.381.3976	Date Faxed	

NOTICE: The information provided in this form is intended to provide clarity to issues that have arisen during the investigation process between the TCEQ and the regulated entity named above and *does not represent final TCEQ findings related to violations.* Any potential or alleged violations discovered after the date on this form will be communicated by telephone to the regulated entity representative prior to the issuance of a notice of violation or enforcement. Conclusions drawn from this investigation, including additional violations or potential violations discovered (if any) during the course of this investigation, will be documented in a final investigation report.

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type[1]	Rule Citation (if known)	Description of Issue
7	AV		Failed to operate the wastewater treatment plant in the mode listed in the permit renewal application (notified via phone 2/6/12).

[1]Issue Type Can Be One or More of: AV (Alleged Violation), PV (Potential Violation), O (Other), or RR (Records Request)

Did the TCEQ document the regulated entity named above operating without proper authorization?	☐ Yes	☑ No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	☐ Yes	☑ No

Document Acknowledgment. Signature on this document establishes only that the regulated entity (company) representative received a copy of this document and associated continuation pages on the date noted. If contact was made by telephone, document will be faxed to regulated entity; therefore, signature not required.

Denise Tom Denise Tom	2/2/12	Notified by telephone (Item #7)	
Investigator Name (Signed & Printed)	Date	Regulated Entity Representative Name (Signed & Printed)	Date

If you have questions about any information on this form, please contact your local TCEQ Regional Office.
Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, call 512-239-3282.

White Copy: Regulated Entity Representative Yellow Copy: TCEQ
TCEQ-20085 (Rev. 6/07)

(Note: Use additional pages as necessary) Page 2 of 2

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 21, 2012

RECEIVED
JUN 2 6 2012

CERTIFIED MAIL 7010 2780 0002 1299 1249
RETURN RECEIPT REQUESTED

Herbert Zieben, Board President
Douglas Utility Company
32 East Rivercrest Drive
Houston, Texas 77042

Re: Additional Compliance Documentation Needed for:
Fountainview Wastewater Treatment Plant
5530 North Sam Houston Parkway East, Houston (Harris County), Texas
TCEQ ID No.: 11200-001, EPA ID No.: TX0031461

Dear Mr. Zieben:

The Texas Commission on Environmental Quality (TCEQ) Houston Region Office has received the compliance documentation that you submitted on April 4, 2012 for the alleged violations noted during the investigation of the above-referenced facility conducted on February 9, 2012. However, information is still needed to address the alleged violations listed in the enclosed summary. Please submit to our office by July 23, 2012 a written description of corrective action taken and the required compliance documentation demonstrating that these remaining alleged violations have been resolved.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and looks forward to receiving your response. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. If you or members of your staff have any questions, please feel free to contact Ms. Denise Tom in the Houston Region Office at (713)767-3698.

Sincerely,

Elizabeth Sears
Team Leader
Water Quality Section
Region 12 Houston

EWS/DJT/cs

cc: Megan Smith, Compliance Coordinator, TNG Utility Corp., P.O. Box 2749, Spring, Texas 77383

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

DOUGLAS UTILITY FOUNTAINVIEW
5326 W BELLFORT ST STE 120
HOUSTON, HARRIS COUNTY, TX 77035

Additional ID(s): TX0031461
WQ0011200001

Investigation # 1007757
Investigation Date: 05/22/2012

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 461768 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(5)
30 TAC Chapter 317.4(g)(4)

Alleged Violation:
Investigation: 984076 Comment Date: 03/19/2012

Failed to maintain the required number of operational blowers. Specifically, the back-up blower was inoperable. The blowers shall be designed so that the maximum design air requirements can be met with the largest single unit out of service.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that a blower was ordered, but not yet received.

Recommended Corrective Action: Submit documentation indicating that the back-up blower has been repaired or replaced.

Track No: 461798 **Compliance Due Date: 03/17/2012**
30 TAC Chapter 305.125(7)
30 TAC Chapter 305.126(b)
PERMIT WQ0011200001, Permit Conditions, No. 1
Permit Conditions, No. 1, p. 9

Alleged Violation:
Investigation: 984076 Comment Date: 03/20/2012

Failed to submit the proper notification before physical alterations were made to the permitted facility. During the investigation, it was noted that the wastewater treatment plant was not operated in the contact stabilization mode, as described in the permit renewal application. A permit application for a minor amendment must be submitted reflecting the change in the mode of operation.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that the permittee has contracted an engineering firm to help with the permit amendment.

Recommended Corrective Action: Submit a permit application for a minor amendment to the Wastewater Permits Section and a copy to the Houston Region Office.

Track No: 461813 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(19)

Alleged Violation:
Investigation: 984076 Comment Date: 03/20/2012

Failed to accurately complete the discharge monitoring reports (DMRs). Specifically, during a review of the records from February 2011 - December 2011, the total chlorine residual was analyzed six days per week, and the flow was measured with a totalizer. The frequencies of analysis were not correctly reported on the DMRs. The sample type for flow was also

incorrectly reported. All effluent data must be accurately reported on the DMRs.
Investigation: 1007757 Comment Date: 06/19/2012

The February 2012 DMR was received on April 4, 2012. The frequency of analysis for total chlorine residual and the sample type for flow were correctly completed; however, the frequency of analysis for the flow should be "continuous" instead of "six days per week."

Recommended Corrective Action: Submit a correctly completed DMR to the Houston Region Office and the Enforcement Division (MC 224).

Track No: 462271 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(5)

Alleged Violation:
Investigation: 984076 Comment Date: 03/23/2012

Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, the catwalk and support beams along the digester and aeration basin were pitted with rust. In addition, rusting was noted along the walls of the chlorine contact basin. The areas pitted with rust must be repaired or replaced.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that the information was provided to the owners of the utility.

Recommended Corrective Action: Submit documentation indicating that the areas pitted with rust have been repaired or replaced.

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 461769
30 TAC Chapter 317.3(c)

Alleged Violation:
Investigation: 984076 Comment Date: 03/27/2012

Failed to provide a standby pump at the lift station. Specifically, a standby pump at the off-site lift station was not available. An operational standby pump shall be provided in order to ensure that the firm pumping capacity be such that the expected peak flow can be pumped to its desired location.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description.

Recommended Corrective Action: Submit documentation indicating that a standby pump at the off-site lift station has been installed.

Resolution: Documentation was received on April 4, 2012 indicating that a standby pump at the off-site lift station was installed.

Track No: 461771
30 TAC Chapter 317.3(e)(5)

Alleged Violation:
Investigation: 984076 Comment Date: 03/19/2012

Failed to provide the required alarm system. Specifically, an audible alarm was not provided at the off-site lift station. An audio-visual alarm system (red flashing light and horn) shall be provided for all lift stations. The alarm system shall be activated in case of power outage, pump fallure, or a specified high water level.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description.

Summary of Investigation Findings

Recommended Corrective Action: Submit documentation indicating that the required alarm system at the off-site lift station has been installed.

Resolution: Documentation was received on April 4, 2012 indicating that the required alarm system at the off-site lift station was installed.

Track No: 461782

30 TAC Chapter 319.5(b)

PERMIT WQ0011200001, ELMR, No. 1
Effluent Limitations and Monitoring Requirements, No. 1, p. 2

Alleged Violation:
Investigation: 984076 Comment Date: 03/27/2012

Failed to collect effluent samples at the required frequency. Specifically, E. coli samples were not collected in August 2011, September 2011, or November 2011. E. coli samples are required to be collected monthly. Samples shall be taken and measurements shall be made at the minimum frequencies specified in the permit for each parameter.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description.

Recommended Corrective Action: Submit a standard operating procedure for the collection and analysis of E. coli samples.

Resolution: Documentation was received on April 4, 2012 indicating that E. coli samples have been collected following November 2011 and that the contract laboratory has since changed.

Summary of Investigation Findings

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 3, 2012

CERTIFIED MAIL 7002 0510 0003 6161 6857
RETURN RECEIPT REQUESTED

Herbert Zieben, Board President
Douglas Utility Company
32 East Rivercrest Drive
Houston, Texas 77042

Re: Notice of Violation for the Compliance Evaluation Investigation at:
Fountainview Wastewater Treatment Plant
5530 North Sam Houston Parkway East, Houston (Harris County), Texas
TCEQ ID No.: WQ0011200001, EPA ID No.: TX0031461

Dear Mr. Zieben:

On September 20, 2012, Denise Tom of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. Enclosed is a summary which lists the investigation findings. During the investigation, some concerns were noted which were alleged noncompliances that have been resolved based on subsequent corrective action. In addition, a certain outstanding alleged violation was identified for which compliance documentation is required. Please submit to this office by January 3, 2013 a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violation.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at http://www.tceq.state.tx.us for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Houston Region Office at (713) 767-3650 or the Central Office Publications Ordering Team at (512) 239-0028. Copies of applicable federal regulations may be obtained by calling Environmental Protection Agency's Publications at (800) 490-9198.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the

Houston Region Office within 10 days from the date of this letter. At that time, Ms. Elizabeth Sears, Water Quality Team Leader will schedule a violation review meeting to be conducted within 21 days from the date of this letter. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Tom in the Houston Region Office at (713) 767-3698.

Sincerely,

Elizabeth Sears
Team Leader
Water Quality Management
Region 12 Houston

EWS/DJT/cs

cc: Megan Smith, Compliance Coordinator, TNG Utility Corp., P.O. Box 2749, Spring, Texas 77383

Enclosure: Summary of Investigation Findings

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Summary of Investigation Findings

DOUGLAS UTILITY FOUNTAINVIEW
5326 W BELLFORT ST STE 120
HOUSTON, HARRIS COUNTY, TX 77035

Investigation # 1029094
Investigation Date: 09/20/2012

Additional ID(s): TX0031461
WQ0011200001

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 462271 **Compliance Due Date: 03/09/2012**
30 TAC Chapter 305.125(5)

Alleged Violation:
Investigation: 984076 Comment Date: 03/23/2012

Failed to maintain the structural integrity of the wastewater treatment plant. Specifically, the catwalk and support beams along the digester and aeration basin were pitted with rust. In addition, rusting was noted along the walls of the chlorine contact basin. The areas pitted with rust must be repaired or replaced.

Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that the information was provided to the owners of the utility.

Investigation: 1029094 Comment Date: 11/06/2012

See violation description. During the investigation conducted on September 20, 2012, it was noted that the wastewater treatment plant was still pitted with rust.

Recommended Corrective Action: Submit documentation indicating that the areas pitted with rust have been repaired or replaced.

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 461768
30 TAC Chapter 305.125(5)
30 TAC Chapter 317.4(g)(4)

Alleged Violation:
Investigation: 984076 Comment Date: 03/19/2012

Failed to maintain the required number of operational blowers. Specifically, the back-up blower was inoperable. The blowers shall be designed so that the maximum design air requirements can be met with the largest single unit out of service.

Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that a blower was ordered, but not yet received.

Investigation: 1029094 Comment Date: 10/03/2012

See violation description.

Recommended Corrective Action: Submit documentation indicating that the back-up blower has been repaired or replaced.

Resolution: The back-up blower was verified to be operational during the investigation conducted on September 20, 2012.

Track No: 461798

DOUGLAS UTILITY-FOUNTAINVIEW Investigation # 1029094

30 TAC Chapter 305.125(7)
30 TAC Chapter 305.126(b)

PERMIT WQ0011200001, Permit Conditions, No. 1
Permit Conditions, No. 1, p. 9

Alleged Violation:
Investigation: 984076 Comment Date: 03/20/2012

Failed to submit the proper notification before physical alterations were made to the permitted facility. During the investigation, it was noted that the wastewater treatment plant was not operated in the contact stabilization mode, as described in the permit renewal application. A permit application for a minor amendment must be submitted reflecting the change in the mode of operation.
Investigation: 1007757 Comment Date: 06/19/2012

See violation description. Documentation was received on April 4, 2012 indicating that the permittee has contracted an engineering firm to help with the permit amendment.
Investigation: 1029094 Comment Date: 10/03/2012

See violation description.

Recommended Corrective Action: Submit a permit application for a minor amendment to the Wastewater Permits Section.

Resolution: A copy of the minor amendment was received by the Wastewater Permits Section on October 19, 2012.

Track No: 461813

30 TAC Chapter 305.125(19)

Alleged Violation:
Investigation: 984076 Comment Date: 03/20/2012

Failed to accurately complete the discharge monitoring reports (DMRs). Specifically, during a review of the records from February 2011 - December 2011, the total chlorine residual was analyzed six days per week, and the flow was measured with a totalizer. The frequencies of analysis were not correctly reported on the DMRs. The sample type for flow was also incorrectly reported. All effluent data must be accurately reported on the DMRs.
Investigation: 1007757 Comment Date: 06/19/2012

The February 2012 DMR was received on April 4, 2012. The frequency of analysis for total chlorine residual and the sample type for flow were correctly completed; however, the frequency of analysis for the flow should be "continuous" instead of "six days per week."
Investigation: 1029094 Comment Date: 10/03/2012

See violation description.

Recommended Corrective Action: Submit a correctly completed DMR to the Houston Region Office and the Enforcement Division (MC 224).

Resolution: A correctly completed DMR was submitted on October 29, 2012 through NetDMR.

ADDITIONAL ISSUES

Description	Additional Comments
Item 5	During the investigation, floating solids were noted covering half of the clarifier. Floating solids should be removed to prevent the unauthorized discharge of floating solids into the receiving stream.

Summary of Investigation Findings

User: Chip Callegari, Permittee User

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

View Certification | Download COR | View COR Signature | Download COR Sig. Public Key

DMR Copy of Record

Permit

Permit #:	**TX0031461**	**Permittee:**	DOUGLAS UTILITY COMPANY	**Facility:**	FOUNTAINVIEW WWTF
Major:		**Permittee Address:**	1MI W HWY 59/0.45 W LEE RD HOUSTON, TX 77032	**Facility Location:**	1M W HWY 59 & APPROX 0.45M W OF LEE RD HOUSTON, TX 77032
Permitted Feature:	001 External Outfall	**Discharge:**	**001-A** DOMESTIC FACILITY - 001		

Report Dates & Status

Monitoring Period:	**From 09/01/12 to 09/30/12**	**DMR Due Date:**	**10/20/12**	**Status:**	**NetDMR Validated**

Considerations for Form Completion

FOR TKN SEE OTHER REQUIREMENT NO. 4, PAGE 31 OF PERMIT.

Principal Executive Officer

First Name:		**Title:**		**Telephone:**	
Last Name:					

No Data Indicator (NODI)

Form NODI: --

Parameter Code	Parameter Name	Monitoring Location	Season #	Param. NODI		Quantity or Loading Qualifier 1	Quantity or Loading Value 1	Quantity or Loading Qualifier 2	Quantity or Loading Value 2	Quantity or Loading Units	Quality or Concentration Qualifier 1	Quality or Concentration Value 1	Quality or Concentration Qualifier 2	Quality or Concentration Value 2	Quality or Concentration Qualifier 3	Quality or Concentration Value 3	Units	# of Ex.	Frequency of Analysis	Sample Type
00300	Oxygen, dissolved (DO)	1 - Effluent Gross	0	--	Sample						=	6.01					19 - mg/L		01/07 - Weekly	GR - GRAB
					Permit Req.						>=	4 MO MIN					19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															
00400	pH	1 - Effluent Gross	0	--	Sample						=	7.48			=	7.73	12 - SU		01/07 - Weekly	GR - GRAB
					Permit Req.						>=	6 MINIMUM			<=	9 MAXIMUM	12 - SU	0	01/30 - Monthly	GR - GRAB
					Value NODI															
00530	Solids, total suspended	1 - Effluent Gross	0	--	Sample	=	0.8			26 - lb/d			=	2.38	=	3.8	19 - mg/L		01/07 - Weekly	GR - GRAB
					Permit Req.	<=	48 DAILY AV			26 - lb/d			<=	15 DAILY AV	<=	60 SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															

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Parameter Code	Parameter Name	Monitoring Location	Season #	Param. NODI		Quantity or Loading Qualifier 1	Value 1	Qualifier 2	Value 2	Units	Quality or Concentration Qualifier 1	Value 1	Qualifier 2	Value 2	Qualifier 3	Value 3	Units	# of Ex.	Frequency of Analysis	Sample Type
					Sample	<	0.04			26 - lb/d			<	0.1	<	0.1	19 - mg/L		01/07 - Weekly	GR - GRAB
00610	Nitrogen, ammonia total (as N)	1 - Effluent Gross	0	--	Permit Req.		Req Mon DAILY AV			26 - lb/d				Req Mon DAILY AV		Req Mon SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															
					Sample	=	0.153	=	0.276	03 - MGD									99/99 - Continuous	TM - TOTALZ
50050	Flow, in conduit or thru treatment plant	1 - Effluent Gross	0	--	Permit Req.	<=	.38 DAILY AV		Req Mon DAILY MX	03 - MGD								0	05/WK - Five Per Week	IN - INSTAN
					Value NODI															
					Sample						=	1.17			=	2.89	19 - mg/L		05/WK - Five Per Week	GR - GRAB
50060	Chlorine, total residual	1 - Effluent Gross	0	--	Permit Req.						>=	1 MO MIN			<=	4 MO MAX	19 - mg/L	0	05/WK - Five Per Week	GR - GRAB
					Value NODI															
					Sample								<	1	<	1	3Z - CFU/100mL		01/30 - Monthly	GR - GRAB
51040	E. coli	1 - Effluent Gross	0	--	Permit Req.								<=	63 DAILY AV	<=	197 SINGGRAB	3Z - CFU/100mL	0	01/30 - Monthly	GR - GRAB
					Value NODI															
					Sample	<	1			26 - lb/d			<	3	=	3	19 - mg/L		01/07 - Weekly	GR - GRAB
80082	BOD, carbonaceous, 05 day, 20 C	1 - Effluent Gross	0	--	Permit Req.	<=	32 DAILY AV			26 - lb/d			<=	10 DAILY AV	<=	35 SINGGRAB	19 - mg/L	0	01/07 - Weekly	GR - GRAB
					Value NODI															

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analsyis, and Sample Type.

Edit Check Errors

No errors.

Comments

REVISED: Changed Frequency of Analysis for the Flow Parameter to Continuous, and the sample type to totalizer.

Attachments

No attachments.

Report Last Saved By

DOUGLAS UTILITY COMPANY

User:	Chip Callegari	Date/Time:	2012-10-29 14:26 (Time Zone: -05:00)
Name:	Chip Callegari		
E-Mail:	megans@tng-utility.com		

Certification Statement

I certify under penalty of law that this submission was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are criminal penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. By entering my password and security question answer and pressing the Submit button, I agree that:

1. I am Chip Callegari.
2. I have not violated any term in my Electronic Signature Agreement.
3. I am otherwise without any reason to believe that the confidentiality of my password has been compromised now or at any time prior to this submission.
4. I have the authority to submit these data on behalf of the listed facilities.
5. This action constitutes an electronic signature equivalent to my written signature.
6. I understand that this attestation of fact pertains to the implementation, oversight, and enforcement of a federal environmental program and must be true to the best of my knowledge.

Submission Information

Name:	Chip Callegari	Date/Time:	2012-10-29 14:26 (Time Zone: -05:00)
User:	Chip Callegari	E-Mail:	megans@tng-utility.com
Submitter Telephone:	281-350-0895	Submitter Ip:	69.15.162.1
Confirmation Code:	2852abf4-4da4-40fb-af3a-508464040579		
Submitter Hashed Password:	a15c027c762542d8f6aedc68d232ee3446716dd8331b09343703b42f605f1e7c		
DMR Hash:	59fec8cbe083a8c0dd7d2ae86f5a9f10b46605a38568819049c1728388982502		
NetDMR Certificate Id:	4		
Certificate Alias:	netdmr uat sample certificate 2		

See the Test Support Page for utilities to facilitate testing.

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TNG UTILITY CORP.

THE NEXT GENERATION OF WATER AND WASTEWATER UTILITY SERVICES

Issue No. 3: Failed to provide audible alarm for the offsite lift station.

Please see the attached work order (#97983) showing the completed work to fix the audible alarm on the offsite lift station. Also, see the attached photo showing a black speaker now installed on the side of the panel in order to deliver an audible tone.

Issue No. 4: Failed to properly complete the DMRs – Frequency of analysis for flow and chlorine incorrect; sample type for flow incorrect.

Please see that attached corrected and submitted DMR. The frequency of flow has been changed to six days per week, and the sample type has been changed from instantaneous to totalizer. Also, the chlorine frequency has been changed to 6 times per week instead of 5.

Issue No. 5: Failed to collect E. coli samples in 8/11, 9/11 and 11/11.

Due to a scheduling issue with the laboratory E coli samples were not collected during those three months. However, since November 2011 E.coli samples have been taken every month according to the permit. Also, we have since changed laboratories in order to prevent such scheduling conflicts in the future.

Issue No. 6: Rusting at plant along the walls of the chlorine contact chamber and along the catwalk and its support beams along the digester and aeration basin.

This information was provided to the owners of the utility.

Issue No. 7: Failed to operate the wastewater treatment plant in the mode listed in the permit renewal application.

The Utility has contracted an Engineering firm to help with amending the Wastewater Treatment Permit in order to resolve this violation. More information is forthcoming regarding the amendment process.

2815 Spring Cypress Road, Suite 3, Spring TX 77388 • P O Box 2749, Spring TX 77383-2749
(281) 350-0895 Office • (281) 353-3307 Fax

TNG

PO Box 2749, Spring, TX 77383 (281) 350-089

INVOICE

To: Aldine Bender Square

Invoice # **97970**
Entered 3/1/2012 10:15:50 AM
Complete 2/23/2012
Reading: 0

MeterNumber:
Classification Lift Station

Aldine Bender Lift Station

Problem

Install new lift pumps in off site lift station- Pre-approved project

Resolution

Installed new 2" lift pumps at lift station.

Labor

Hours	Description	Rate	Total
4	Plant Technician	$48.00	$192.00
4	Supervisor	$60.00	$240.00

Equipment

Hours	Description	Rate	Total
4	Service Truck	$15.00	$60.00
4	Service Truck	$15.00	$60.00

Services

Description	Total

Materials

Quantit	Description	Purchase Order	Cost	Total
1	Niel Technical Services	45060	$7,751.00	$7,751.00
1	Niel Technical Services	45061	$7,751.00	$7,751.00

Total Due $16,054.00

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TNG

PO Box 2749, Spring, TX 77383 (281) 350-089

INVOICE

To: Aldine Bender Square

Invoice # **97983**
Entered 3/1/2012 10.58:07 AM
Complete 2/7/2012
Reading: 0

MeterNumber:
Classification Lift Station

Aldine Bender Lift Station

Problem
Check and repair high level alarm

Resolution
Met contractor to repair high level alarm.

Labor

Hours	Description	Rate	Total
2	Plant Technician	$48 00	$96 00

Equipment

Hours	Description	Rate	Total
2	Service Truck	$15 00	$30 00

Services

Description	Total

Materials

Quantit	Description	Purchase Order	Cost	Total
1	K & R Utility Service	700686	$977 50	$977 50

Total Due $1,103.50

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

Central Records Personally Identifiable Information Audit

NOTICE OF REDACTION

Documents containing Personally Identifiable Information* have been redacted from electronic posting, in accordance with Texas privacy statutes.

*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

FIXED ASSETS - WATER

Douglas Utility
Depreciation Schedule by Category
For the 6 Months Ended 06/30/12

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/12	Current Depreciation	Accum Depr 06/30/12
Land									
38	Access Road	07/01/05	ST LINE	30/00	N	8,975.00	1,945.83	148.77	2,094.60
39	Land	07/01/77	LAND	00/00	N	99,142.00	0.00	0.00	0.00
	Total for (Land)					108,117.00	1,945.83	148.77	2,094.60
Structures									
36	Chlorine / Blower Room	07/01/99	ST LINE	30/00	N	5,760.00	2,400.79	95.48	2,496.27
	Total for (Structures)					5,760.00	2,400.79	95.48	2,496.27
Electricial									
42	Control Room Lights	07/01/11	ST LINE	20/00	N	2,523.00	63.59	62.73	126.32
43	High Level Alarm	07/01/11	ST LINE	10/00	N	532.00	26.82	26.45	53.27
	Total for (Electricial)					3,055.00	90.41	89.18	179.59
Fencing & Gates									
40	Fencing	07/01/06	ST LINE	30/00	N	952.00	174.65	15.78	190.43
	Total for (Fencing & Gates)					952.00	174.65	15.78	190.43
Chlorinators									
34	Chlorinator & Scales	07/01/08	ST LINE	20/00	N	5,991.00	1,049.24	148.96	1,198.20
45	Chlorine Scale	07/01/11	ST LINE	10/00	N	1,904.00	95.98	94.68	190.66
50	SCBA Unit	05/16/11	ST LINE	10/00	N	1,846.00	116.32	91.80	208.12
	Total for (Chlorinators)					9,741.00	1,261.54	335.44	1,596.98
Meters									
37	Meter Flow Chart	07/01/99	ST LINE	20/00	N	2,050.00	1,281.67	50.97	1,332.64
	Total for (Meters)					2,050.00	1,281.67	50.97	1,332.64
Collection System									
29	3,925 ft - 8" Line	07/01/61	ST LINE	50/00	N	29,946.00	29,946.00	0.00	29,946.00
30	140 ft - 10" Line	07/01/61	ST LINE	50/00	N	1,373.00	1,373.00	0.00	1,373.00
31	2,585 ft - 6" Line	07/01/61	ST LINE	50/00	N	16,553.00	16,553.00	0.00	16,553.00
32	980 ft - 8" Line	07/01/61	ST LINE	50/00	N	7,477.00	7,477.00	0.00	7,477.00
	Total for (Collection System)					55,349.00	55,349.00	0.00	55,349.00
Wastewater Treatment & Disposal Equip									
33	Wastewater Treatment Plant	07/01/86	ST LINE	25/00	N	1,102,074.00	1,102,074.00	0.00	1,102,074.00
35	10hp Lift Pump	07/01/00	ST LINE	30/00	N	5,790.00	2,220.03	95.97	2,316.00
41	Lift Pump	07/01/11	ST LINE	20/00	N	3,751.00	94.55	93.26	187.81
44	Processed Water System	07/01/11	ST LINE	25/00	N	3,500.00	70.58	69.62	140.20
53	Rebuild Blower #2	04/11/12	ST LINE	30/00	N	6,410.00	0.00	47.29	47.29
	Total for (Wastewater Treatment & Disposal Equip)					1,121,525.00	1,104,459.16	306.14	1,104,765.30
	Client Subtotal Before Sales					1,306,549.00	1,166,963.05	1,041.76	1,168,004.81
	Less Assets Sold					0.00			0.00
	Total					1,306,549.00	1,166,963.05	1,041.76	1,168,004.81

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GDS Associates, Inc.
Engineers and Consultants

Charles Loy
Principal

Ph 512 494.0369
Fax: 512.494 0205
chuck.loy@gdsassociates.com

February 26, 2013

Ms. Carol Zieben, Owner
Douglas Utility Company
32 E Rivercrest Drive
Houston, TX 77042

Re: **Douglas Utility Company Trending**

Dear Ms. Zieben:

GDS was asked to provide asset trending for Douglas Utility Company. Douglas Utility Company provided a test year end date of 06/30/12. Douglas Utility Company also provided an inventory list of assets with install dates and replacement cost values. We used this information in our GDS Asset Valuation Model to compute useful life, years in service at test year end date, trended original cost, annual depreciation expense, total accumulated depreciation, and net book value at test year end date for each asset. Because we were only provided with a year for install date for each asset, we made the assumption that all assets were installed at mid-year on July 1 of the year of installation.

A trending study is a computational methodology used to develop a reliable value of utility plant for different times. If the value of an item is known at any point in time, trending indices can be used to estimate its value at any other point in time. One normally begins a trending study with a replacement cost of an item for a point in time and, with trending indices from that point in time and from the time the item was installed, computes a value at the time of installation, a substitute for the original cost of the item. The purpose of this trending study is to provide Douglas Utility Company with a computation of the value of the original cost for existing plant so that the original cost can be depreciated to the net plant value for the end of the test year.

A trending study is based on two key items, the replacement cost and construction cost indices. The replacement cost is the current price for installing the same item new and is a purchase price or contractor's price for an item based upon materials, equipment, and labor used. Construction price indices are maintained by various organizations that monitor construction pricing over time. For the construction industry as a whole, ENR (formerly Engineering News Record) maintains both a construction cost index and a building cost index. For the utility industry, Electric, Gas and Water, the Handy Whitman Index maintains indices based upon capital items using a utility chart of accounts. Government agencies, such as the U.S. Bureau of Reclamation also maintain construction cost indices. Each of these indices provides an index number for different times. If one knows the cost of an item at any point in time, construction

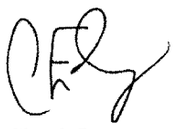
cost indices can be used to reliably estimate the cost at another point in time. Thus, current costs can be used to estimate original cost using an index value for the date of installation.

The GDS Asset Valuation Model uses three indices of construction costs to estimate trended original cost: (1) Handy Whitman Index of Water Utility Construction Costs for the South Central Region (Region 4); (2) the ENR (formerly Engineering News Record) Index of Building Cost and Construction Cost Trends; and (3) the Bureau of Reclamation Construction Cost Trends. The Handy Whitman Index was the primary reference source used for this trending because utility regulators and the industry routinely accept it. The Handy Whitman Index is commonly used in Texas ratemaking dockets. The Handy Whitman Index has been reporting values since 1912. The Handy Whitman Index has reported values on January 1 and July 1 for each year since 1973 and reported annual values before 1973. The Handy Whitman indices are designed to estimate reproduction and original costs. For sewage treatment plants, we use the Building Cost Index of ENR, as we have found it to be the most suitable alternative when the Handy Whitman Index is not applicable. We prefer the ENR Building Cost Index to the ENR Construction Cost Index because we believe it is based upon features more accurately applied to sewage treatment plants and because it has a slightly lower inflation rate. The ENR Building Cost Index has been reported since 1915 and currently reports monthly values. We also use the U.S. Bureau of Reclamation Construction Cost Trends Index because it covers land costs, electrical equipment, and other specialized items not covered by the Handy Whitman Index and the ENR Building Cost Index. The U.S. Bureau of Reclamation Index has been reported quarterly since 1940. We have used the most appropriate index for each inventory item and used the index value for the nearest reported date.

Service lives and depreciation rates were determined using recommended service lives from TCEQ. These rates were used to compute the annual depreciation expense and the total accumulated depreciation on the purchased assets. Depreciation was computed and subtracted from the trended value of original cost to determine net book value.

The attached reports included the trended value of assets for the Water Treatment Plants # 1 and 2 as well as the Sewer Treatment Plant at Douglas Utility Company. We believe that our computations have produced appropriate values for net book value.

Sincerely,



Chuck Loy

Summary

Company. Douglas Utility Company

Subd Name: Water Treatment Plants # 1 & 2

Utility Asset Valuation
Water Treatment Plants # 1 & 2

GDS Associates, Inc.
Printed: 2/26/2013

Item No.	Account No.	Account Name	Asset Description	Unit	Approx. Quantity	Unit Price	Replacement Cost	Date Installed	Useful Life	Years in Service at Test Year End Date 6/30/2012	Actual or Trended Original Cost		Annual Depreciation Expense	Total Accumulated Depreciation	Net Book Value at Test Year End Date 6/30/2012
1	304.0	Structures & Improvements - Bldgs - (Masonry, Metal, or Wood) and Fencing	Plant 2: Pump House	EA	1		$5,000.00	07/01/80	30	32.0	$2,095.44	T	$69.85	$2,095.44	$0.00
2	307.0	Wells	Plant 2: 6" Water Well (60gpm)	EA	1		$56,000.00	07/01/80	50	32.0	$28,000.00	T	$560.00	$17,918.47	$10,081.53
3	307.0	Wells	Plant 2: 6" Water Well (170gpm)	EA	1		$56,000.00	07/01/80	50	32.0	$28,000.00	T	$560.00	$17,918.47	$10,081.53
4	311.0	Booster pumps: 7 1/2 HP or greater	Plant 2: Booster pumps, 25hp, Qty 2	EA	2		$3,900.00	07/01/80	30	32.0	$1,105.00	T	$36.83	$1,105.00	$0.00
5	320.0	Chlorinators and Water Treatment Equipment	Plant 2: Chlorinator (Superior), Qty 2	EA	2		$2,500.00	07/01/08	10	4.0	$2,080.21	T	$208.02	$831.51	$1,248.70
6	320.0	Chlorinators and Water Treatment Equipment	Plant 1: 2 Superior Chlorine Regulator	EA	2		$1,700.00	07/01/08	20	4.0	$1,414.54	T	$70.73	$282.71	$1,131.83
7	320.0	Chlorinators and Water Treatment Equipment	Plant 2: Chlorinator Scales, Qty 2	EA	2		$1,700.00	07/01/08	10	4.0	$1,414.54	T	$141.45	$565.43	$849.11
8	330.0	Pressure Tanks	Plant 1: Pressure Tank, 9,000 gal	EA	1		$32,168.00	07/01/85	50	27.0	$7,242.86	T	$144.86	$3,910.85	$3,332.01
9	330.0	Pressure Tanks	Plant 2: Pressure Tank, 10,000 gal	EA	1		$35,743.00	07/01/08	50	4.0	$32,460.94	T	$649.22	$2,595.10	$29,865.84
10	330.0	Ground Storage Tanks	Plant 1: GST (bolted galvanized), 3,000 bbl	EA	1		$94,500.00	07/01/85	50	27.0	$17,222.38	T	$344.45	$9,299.38	$7,923.00
11	330.0	Ground Storage Tanks	Plant 2: GST (bolted galvanized), 1,500 bbl, Qty 2	EA	2		$94,500.00	07/01/80	50	32.0	$20,345.61	T	$406.91	$13,020.08	$7,325.53
12	331.0	Distribution System	8" Cast Iron Pipe, 2,355' ($22.00 per foot)	FT	2,355	$22.00	$51,810.00	07/01/61	50	51.0	$6,724.09	T	$134.48	$6,724.09	$0.00
13	331.0	Distribution System	8" A/C Pipe, 1,570' ($22.00 per foot)	FT	1,570	$22.00	$34,540.00	07/01/61	50	51.0	$9,411.44	T	$188.23	$9,411.44	$0.00
14	331.0	Distribution System	2" Steel Pipe, 2,970' ($11.50 per foot)	FT	2,970	$11.50	$34,155.00	07/01/61	50	51.0	$3,738.67	T	$74.77	$3,738.67	$0.00
15	331.0	Distribution System	4" A/C Pipe, 620' ($14.50 per foot)	FT	620	$14.50	$8,990.00	07/01/61	50	51.0	$2,449.59	T	$48.99	$2,449.59	$0.00
16	331.0	Distribution System	4" A/C Pipe, 1,450' ($14.50 per foot)	FT	1,450	$14.50	$21,025.00	07/01/11	50	1.0	$19,764.65	T	$395.29	$395.02	$19,369.62
17	331.0	Distribution System	2" Steel Pipe, 930' ($11.50 per foot)	FT	930	$11.50	$10,695.00	07/01/61	50	51.0	$1,170.70	T	$23.41	$1,170.70	$0.00
18	334.0	Meters	Plant 1: Well Meter, 4" Sensus	EA	1		$2,225.00	07/01/83	20	29.0	$982.47	T	$49.12	$982.47	$0.00
19	334.0	Meters	Plant 2: Well Meter, 3"	EA	1		$1,465.00	07/01/10	20	2.0	$1,348.13	T	$67.41	$134.72	$1,213.41
20	335.0	Fire Hydrants	Fire Hydrants, Qty 9 ($3,800 each)	EA	9	$3,800.00	$34,200.00	07/01/61	40	51.0	$2,829.32	T	$70.73	$2,829.32	$0.00
		TOTAL - WATER TREATMENT PLANTS # 1 & 2					$582,816.00				$189,800.57		$4,244.76	$97,378.45	$92,422.12

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FIXED ASSETS - SEWER

Douglas Utility
Depreciation Schedule by Category
For the 6 Months Ended 06/30/12

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/12	Current Depreciation	Accum Depr 06/30/12
Land									
1	Land	07/01/77	LAND	00/00	N	16,267.00	0 00	0.00	0.00
	Total for (Land)					16,267.00	0.00	0.00	0.00
Service Equipment									
46	Air Compressor	11/01/10	ST LINE	10/00	N	943.00	110.06	46.89	156.95
	Total for (Service Equipment)					943 00	110.06	46.89	156 95
Wells (with pump) Plant									
3	6" Water Well (60gpm)	07/01/80	ST LINE	50/00	N	28,000.00	17,641 53	278.47	17,920.00
4	6" Water Well (170gpm)	07/01/80	ST LINE	50/00	N	28,000.00	17,641.53	278.47	17,920.00
	Total for (Wells (with pump) Plant)					56,000.00	35,283.06	556.94	35,840.00
Structures									
2	Pump House	07/01/80	ST LINE	30/00	N	2,095 00	2,095 00	0 00	2,095.00
24	Pump House	07/01/99	ST LINE	30/00	N	8,400.00	3,501.15	139 23	3,640 38
25	Chlorine Cylinder Storage	07/01/99	ST LINE	30/00	N	2,496 00	1,040 34	41.37	1,081 71
51	Rebuilt Chlorine Buildings	01/27/12	ST LINE	30/00	N	3,168.00	0.00	45.01	45 01
	Total for (Structures)					16,159 00	6,636.49	225.61	6,862.10
Booster Pumps									
5	2 - Booster Pumps - 7 1/2hp	07/01/80	ST LINE	30/00	N	1,105.00	1,105.00	0 00	1,105.00
22	Booster Pump - 7 1/2 hp	07/01/00	ST LINE	30/00	N	1,735.00	665.20	28.76	693.96
23	Booster Pump - 7 1/2 hp	07/01/04	ST LINE	30/00	N	2,510.00	627.75	41.61	669.36
	Total for (Booster Pumps)					5,350.00	2,397.95	70.37	2,468.32
Electricial									
26	Generator	07/01/94	ST LINE	30/00	N	16,202.00	9,453.44	268.56	9,722.00
48	Mercoid Switches	03/16/11	ST LINE	10/00	N	1,490.00	118.79	74.09	192.88
	Total for (Electricial)					17,692.00	9,572.23	342.65	9,914.88
Pressure Tanks									
9	9,000 gal Pressure Tank	07/01/85	ST LINE	50/00	N	7,243.00	3,839.39	72.03	3,911.42
10	10,000 Pressure Tank	07/01/08	ST LINE	50/00	N	32,461.00	2,274.04	322.84	2,596.88
	Total for (Pressure Tanks)					39,704.00	6,113.43	394.87	6,508.30
Chlorinators									
6	2 - Chlorinators	07/01/08	ST LINE	10/00	N	2,080.00	728.57	103.43	832.00
7	2 - Superior Chlorine Regulators	07/01/08	ST LINE	20/00	N	1,415.00	247.82	35.18	283.00
8	2 - Chloring Scales	07/01/08	ST LINE	10/00	N	1,415.00	495.64	70.36	566.00
47	2 - Chlorine Scale	03/29/11	ST LINE	10/00	N	3,028.00	230.63	150.57	381.20
52	Chlorine Scale	01/01/12	ST LINE	10/00	N	1,900.00	0.00	94.48	94.48
	Total for (Chlorinators)					9,838.00	1,702.66	454.02	2,156.68
Ground Storage Tanks									
11	3,000 bbl Ground Storage Tank	07/01/85	ST LINE	50/00	N	17,222.00	9,129.08	171.28	9,300.36
12	2 - 1,500 bbl Ground Storage Tan	07/01/80	ST LINE	50/00	N	20,346.00	12,819.09	202.35	13,021.44
	Total for (Ground Storage Tanks)					37,568.00	21,948.17	373.63	22,321.80
Distribution System									
13	2,355 ft - 8" Cast Iron Pipe	07/01/61	ST LINE	50/00	N	6,724.00	6,724.00	0.00	6,724.00
14	1,570 ft- 8" A/C Pipe	07/01/61	ST LINE	50/00	N	9,411.00	9,411.00	0.00	9,411.00
15	2,970 ft -2" Steel Pipe	07/01/61	ST LINE	50/00	N	4,433.00	4,433.00	0.00	4,433.00
16	620 ft - 4" A/C Pipe	07/01/61	ST LINE	50/00	N	2,450.00	2,450.00	0.00	2,450.00

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Douglas Utility
Depreciation Schedule by Category
For the 6 Months Ended 06/30/12

Asset No.	Asset Description	Date Acquired	Method	Life	Sold?	Cost	Accum Depr 01/01/12	Current Depreciation	Accum Depr 06/30/12
Distribution System									
17	1,450 ft - 4" C-900 Pipe	07/01/11	ST LINE	50/00	N	19,765.00	199.27	196.57	395.84
18	930 ft - 2" Steel Pipe	07/01/61	ST LINE	50/00	N	1,388.00	1,388.00	0.00	1,388.00
	Total for (Distribution System)					44,171.00	24,605.27	196.57	24,801.84
Meters									
19	4" WellMeter	07/01/83	ST LINE	20/00	N	982 00	982.00	0.00	982.00
20	3" Well Meter	07/01/10	ST LINE	20/00	N	1,348.00	101.38	33.52	134.90
27	Meter with Modem Line	07/01/05	ST LINE	20/00	N	6,750.00	2,195.14	167.83	2,362.97
28	Meter with Modem Line	07/01/05	ST LINE	20/00	N	8,680.00	2,822.78	215.81	3,038.59
	Total for (Meters)					17,760 00	6,101.30	417 16	6,518.46
Fire Hydrants									
21	9 - Fire Hydrants	07/01/61	ST LINE	40/00	N	2,829.00	2,829 00	0.00	2,829.00
49	Fire Hydrandt	04/07/11	ST LINE	05/00	N	3,518 00	518 54	349.88	868.42
	Total for (Fire Hydrants)					6,347 00	3,347.54	349.88	3,697.42
	Client Subtotal Before Sales					267,799.00	117,818 16	3,428.59	121,246 75
	Less Assets Sold					0.00			0.00
	Total					267,799.00	117,818 16	3,428.59	121,246.75