

Investigation: 944196

Comment Date: 09/06/2011

Failure to maintain calibration records for the turbidimeters and disinfectant residual analyzers.

During the comprehensive compliance investigation on July 14, 2011, it was noted that the water system was not maintaining a record of the weekly calibration performed on the turbidimeters or the monthly calibration performed on the disinfectant residual analyzer.

30 TAC 290.46(f)(3)(B)(v) states the calibration records for laboratory equipment, flow meters, rate-of-flow controllers, on-line turbidimeters, and on-line disinfectant residual analyzers shall be retained for at least three years.
Investigation: 1008606

Comment Date: 05/29/2012

Failure to maintain calibration records for the turbidimeters and disinfectant residual analyzers.

During the file review investigation on April 20, 2012, the investigator determined that the water system had adequately corrected the alleged violation.

Recommended Corrective Action: Begin maintaining a record of all calibrations performed on laboratory equipment, on-line turbidimeters, and on-line disinfectant residual analyzers. Submit two months of calibration records to the TCEQ Region 4 Office to document that the alleged violation has been corrected.

Resolution: On March 3, 2012, compliance documentation was received at the TCEQ Region 4 Office. Included in the documentation were copies of the calibration and accuracy check logs for the laboratory equipment at the water plant. Based on this documentation, it appears that the water system has adequately corrected the alleged violation.

Track No: 446048**30 TAC Chapter 290.46(m)(4)****Alleged Violation:**

Investigation: 944196

Comment Date: 09/06/2011

Failure to maintain the pressure tank in a watertight condition.

During the comprehensive compliance investigation on July 14, 2011, it was noted that a leak was occurring from a valve on the pressure tank.

30 TAC 290.46(m)(4) states all water treatment units, storage and pressure maintenance facilities, distribution system lines, and related appurtenances shall be maintained in a watertight condition and be free of excessive solids.
Investigation: 1008606

Comment Date: 05/29/2012

Failure to maintain the pressure tank in a watertight condition.

During the file review investigation on April 20, 2012, the investigator determined that the water system had adequately corrected the alleged violation.

Recommended Corrective Action: Repair the leak at the pressure tank. Submit a letter stating the actions taken and a photograph of the repairs to the TCEQ Region 4 Office to document that the alleged violation has been corrected.

Resolution: On March 3, 2012, compliance documentation was received at the TCEQ Region 4 Office. Included in the documentation was information on the leaking valve that was replaced, as well as photographs of the newly installed replacement valve. Based on this documentation, it appears that the water system has adequately corrected the alleged violation.

7/11/13 e-mail

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 9, 2012

Mr. Randy Gracy, President
Double Diamond Utilities Co.
5495 Belt Line Rd. Suite 200
Dallas, Texas 75254-7658

COPY

Re: Public Water Supply Comprehensive Compliance at:
The Retreat Water Supply, Cleburne (Johnson County), Texas
RN102952322, PWS ID No. 1260127, Investigation No. 1009199

Dear Mr. Gracy:

On June 12, 2012, Ms. Crystal Watkins of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. No violations are being alleged as a result of the investigation.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Watkins in the D/FW Regional Office at (817) 588-5804.

Sincerely,

Charles Marshall
Team Leader, Public Water Supply Program
D/FW Regional Office
Texas Commission on Environmental Quality

CM/cdw

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 27, 2012

Mr. Randy Gracy, President
Double Diamond Utilities Co
10100 N Central Expressway Ste 600
Dallas, Texas 75231-4151

REC'D OCT 22 2012

Re: Comprehensive Compliance Investigation at:
White Bluff Community Water System, Hill County, Texas
TCEQ ID No.: PWS 1090073, RN101233120

Dear Mr. Gracy:

On August 29, 2012, Investigator Fred Logan of the Texas Commission on Environmental Quality (TCEQ) Waco Regional Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for a public water supply. No violations are being alleged as a result of the investigation; however, please see the attached Area of Concern.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Fred Logan in the Waco Regional Office at (254) 751-0335.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Monreal".

Richard Monreal, R.S.
Water and Waste Section Work Leader
Waco Regional Office

RM/fl/ps

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

WHITE BLUFF COMMUNITY WATER SYSTEM

Investigation #

, HILL COUNTY,

1028296
Investigation Date: 08/29/2012

Additional ID(s): 1090073

AREA OF CONCERN

Track No: 478068

30 TAC Chapter 290.46(m)

Alleged Violation:

Investigation: 1028296

Comment Date: 09/18/2012

Failure to maintain the concrete sealing block at Well #1 in such a way as to prevent other conditions that might cause the contamination of the water.

The maintenance and housekeeping practices used by a public water system shall ensure the good working condition and general appearance of the system's facilities and equipment. The grounds and facilities shall be maintained in a manner so as to minimize the possibility of the harboring of rodents, insects, and other disease vectors, and in such a way as to prevent other conditions that might cause the contamination of the water.

At the time of this investigation, the concrete sealing block on Well #1 was cracked.

Resolution: On August 29, 2012, a photograph was received indicating that the crack had been sealed. This was adequate to resolve this alleged violation.

Track No: 478070

30 TAC Chapter 290.46(w)

Alleged Violation:

Investigation: 1028296

Comment Date: 09/17/2012

Failure to maintain internal procedure to notify the executive director of an event that may negatively impact the production or delivery of safe and adequate drinking water.

All systems shall maintain internal procedures to notify the executive director by a toll-free reporting phone number immediately of the following events, if the event may negatively impact the production or delivery of safe and adequate drinking water:

- (1) an unusual or unexplained unauthorized entry at property of the public water system;
- (2) an act of terrorism against the public water system;
- (3) an unauthorized attempt to probe for or gain access to proprietary information that supports the key activities of the public water system;
- (4) a theft of property that supports the key activities of the public water system; or
- (5) a natural disaster, accident, or act that results in damage to the public water system.

At the time of this investigation, the White Bluff Community Water System did not have a proper internal security procedure.

Resolution: On August 29, 2012, a copy of a proper internal security procedure was presented to Mr. Fred Logan by Mr. Richard Zint.

Attachment 2

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



REC'D JAN 02 2013

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 20, 2012

E SIGNATURE CONFIRMATION # 91 3408 2133 3931 4067 3961

REC'D JAN 02 2013

Mr. Randy Gracy, President
Double Diamond Utilities Company
5495 Belt Line Road, Suite 200
Dallas, Texas 75254

Re: Notice of Violation for Comprehensive Compliance Investigation at:
Double Diamond Utilities The Cliffs Wastewater Treatment Plant, (Palo Pinto County),
Texas
Regulated Entity No.: RN102328515, TCEQ ID No.: WQ0002789-000, EPA ID No.:
TX0099015

Dear Mr. Gracy:

By letter dated November 5, 2012, the Texas Commission on Environmental Quality (TCEQ) DFW Region Office requested that you submit information to us by December 5, 2012 verifying that the outstanding alleged violations referenced in the letter have been corrected. The alleged violations were noted during the investigation of the above-referenced facility conducted on September 20, 2012. Enclosed for your information is a copy of the letter. As of this date, we have not received from you a written description of corrective action taken and the required compliance documentation for these alleged violations. Please submit this information to us by no later than **January 20, 2013**.

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.

If you or members of your staff have any questions, please feel free to contact Mr. Greg Diehl in the DFW Region Office at 817-588-5898.

Sincerely,

A handwritten signature in black ink that reads "Sid Slocum".

Sid Slocum
Water Section Manager
DFW Region Office

SS/gd

cc: Buck Nunley, The Cliffs Resort, 160 Cliffs Drive, Graford, Texas 76449 (w/ enclosure)

Enclosure: Copy of Previous Letter

TCEQ Region 4-Dallas/Fort Worth • 2309 Gravel Dr. • Fort Worth, Texas 76118-6951 • 817-588-5800 • Fax 817-588-5700

Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customersurvey

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Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 5, 2012

E SIGNATURE CONFIRMATION # 91 3408 2133 3931 4067 3947

Mr. Randy Gracy, President
Double Diamond Utilities Company
5495 Belt Line Road, Suite 200
Dallas, Texas 75254

COPY

Re: Notice of Violation for Comprehensive Compliance Investigation at:
Double Diamond Utilities The Cliffs Wastewater Treatment Plant, located adjacent to
Possum Kingdom Lake immediately west of State Highway 16 south of the Brazos River,
(Palo Pinto County), Texas
Regulated Entity No.: RN102328515, TCEQ ID No.: WQ0002789-000, EPA ID No.:
TX0099015

Dear Mr. Gracy,

On September 20, 2012, Greg Diehl of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth Region Office conducted an investigation of the above-referenced regulated entity 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 as Areas of Concern 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 **December 5, 2012** 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 violation, 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 Dallas/Fort Worth Region Office at 817-588-5800 or the Central Office Publications Ordering Team at 512-239-0028.

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 violation

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Austin Headquarters: 512-239-1000 • tceq.texas.gov • How is our customer service? tceq.texas.gov/customer survey

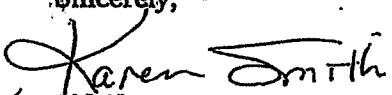
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Mr. Randy Gracy
November 5, 2012
Page 2

documented in this notice. Should you choose to do so, you must notify the Dallas/Fort Worth Region Office within 10 days from the date of this letter. At that time, Mr. Sid Slocum, Water Section Manager 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, please feel free to contact Mr. Diehl in the Dallas/Fort Worth Region Office at 817-588-5898.

Sincerely,


Sid Slocum
Water Section Manager
Dallas/Fort Worth Region Office

SS/gd

Enclosure: Investigation Report No. 1035084 (w/ COC and sample results)
Summary of Investigation Findings

Summary of Investigation Findings

DOUBLE DIAMOND DBA THE CLIFFS RESORT
160 CLIFFS DR
GRAFORD, PALO PINTO COUNTY, TX 76449
Investigation # 1035084
Investigation Date: 09/20/2012
Additional ID(s): WQ0002789000
TX0099015

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

Track No: 478720 Compliance Due Date: 12/05/2012
30 TAC Chapter 305.125(5)

Alleged Violation:

Investigation: 1035084

Comment Date: 10/29/2012

Failure to maintain the clarifier weir. At the time of the investigation, the clarifier weir had become detached from the clarifier wall and was floating. As a result, all of the effluent was leaving the clarifier on the opposite side of the tank, resulting in short-circuiting of the treatment unit. The weir should be repaired to ensure that it is level around the entire clarifier and there is no short circuiting.

On October 2, 2012, Mr. Nunley submitted correspondence indicating the weir had been temporarily leveled, but that a permanent solution will be more involved than he originally expected. He is actively pursuing a permanent repair.

Recommended Corrective Action: Please provide documentation that the clarifier weir has been repaired and that the unit is functioning properly or provide an update of progress on the repair and a projected date of completion.

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

Track No: 478725
30 TAC Chapter 305.125(1)

Alleged Violation:

Investigation: 1035084

Comment Date: 09/27/2012

Failure to maintain compliance with the permitted effluent limits. During the review period of March through August 2012, the following violations were reported:

Outfall -001: (5) TDS daily average mg/l (March-July, 2012); and, (5) TDS daily maximum mg/l (March-July, 2012).

Outfall -101: (5) TDS daily average mg/l (March-July, 2012).

Every effort must be made to maintain compliance with permit effluent limitations.

Recommended Corrective Action: Please submit to the Region Office a description of the corrective action that has been taken or is underway to become compliant with the permit limitations on a consistent basis. Also, please be advised that self-reported effluent violations are subject to review by the Enforcement Division and may be subject to enforcement action, including penalties.

Resolution: The facility was recently referred to the Enforcement Division for effluent parameter violations between May 2011 and February 2012 (Docket No. 2012-1427-IWD-E). This violation is resolved as permit effluent violations will be addressed in the agreed order.

Track No: 478735

PERMIT WQ0002789000, Monitoring and Reporting
Paragraph 7.c. (page 5)

Alleged Violation:

Investigation: 1035084

Comment Date: 09/27/2012

Failure to provide notification of effluent permit limit violations. During the review period of October 2008 through July 2012, the following violations exceeded the permit limits by greater than forty percent: Outfall -001: TDS daily average (mg/l) for September and November 2011, and April and May 2012; and, TDS daily maximum (mg/l) for September and November 2011 and April and June 2012.

Effluent violations which exceed the permit limits by more than forty percent shall be reported to the DFW Region Office and the Compliance Monitoring Team (MC 224) of the Enforcement Division within 5 working days of becoming aware of the noncompliance.

Recommended Corrective Action: Please submit the missing noncompliance notification forms.

Resolution: On October 2, 2012, the TCEQ DFW Region office received copies of the missing non-compliance notification forms.

AREA OF CONCERN

Track No: 478729

30 TAC Chapter 319.11(b)

Alleged Violation:

Investigation: 1035084

Comment Date: 10/26/2012

Failure to analyze samples within the required holding times. The permit requires that TSS be monitored 5 times per week at Outfall -201. The operator collects the samples which are stored in the sample refrigerator until the lab collects them on a weekly basis. During the investigation it was determined that the 7-day holding time requirement is being violated for the first sample collected each week. The operator should consider revising the sample collection time in order to meet the holding time requirement.

It was also determined that the sample collection times and the sample analysis times were not being recorded for the chlorine residual and pH analysis. These times must be documented for each parameter in order to ensure that the 15 minute holding time requirement is being met.

Recommended Corrective Action: Please provide documentation that the holding time requirement will be met in the future.

Resolution: On September 26, 2012, the TCEQ DFW Region office received documentation that the both the sample collection and analysis times are being recorded for the chlorine residual and the pH analyses and that the sample collection schedule for TSS has been revised in order to meet the holding time requirement.

Track No: 478734

30 TAC Chapter 319.11(a)

30 TAC Chapter 319.11(b)

Alleged Violation:

Investigation: 1035084

Comment Date: 10/30/2012

Failure to use the proper analytical procedures and techniques for sample analysis. During the investigation the following violations were documented:

The manganese oxide correction was not being conducted during the chlorine residual analysis; and,

The pH meter calibration was being performed with expired buffers (4.0 and 10.0) and was not being documented.

Recommended Corrective Action: Please submit documentation that proper analytical methods and techniques are being used and that adequate records are being maintained.

Resolution: On September 26, 2012, the TCEQ DFW Region office received documentation indicating that the manganese oxide correction was being performed as required; and that new pH buffers were purchased. On September 27, 2012, the documentation was submitted indicating the TDS analysis would be conducted by EML Laboratories using an approved method.

Track No: 478918

30 TAC Chapter 319.11(c)

Alleged Violation:

Investigation: 1035084

Comment Date: 09/27/2012

Failure to use an EPA-approved method for effluent analysis. Specifically, the method used to conduct TDS analysis is not an approved method.

Recommended Corrective Action: Effluent shall be analyzed according to test methods specified in 40 Code of Federal Regulation (CFR) Part 136. Submit documentation indicating that an EPA-approved method is being utilized for TDS analysis.

Resolution: On September 27, 2012, the TCEQ DFW Region office received documentation that the TDS analysis would be conducted by EML Laboratory using an approved method.

ADDITIONAL ISSUES

Description

Does infiltration/inflow adversely affect the collection system and/or the WWTP?

Additional Comments

During the investigation it was determined that there is a problem with inflow and infiltration (I&I) into the collection system during heavy rain events. Although I&I has not resulted in sanitary sewer overflows (SSOs) or plant washout, it is recommended that Double Diamond take action to address the issue before these problems occur. Evaluating the collection system to identify sources of I&I is recommended.

Equalization basin(s) or tank(s)?

The equalization (EQ) basin is not currently in use. Considering the significant variation in flows during summer weekends and holiday, it would be advantageous to have a functioning EQ basin. A functioning EQ basin would also decrease the potential for a washout or upset of the plant during periods of high inflow and infiltration. It is recommended that consideration be given to bringing the EQ basin back online.

Are process control records maintained?

It was noted during the investigation that process control records were not being maintained. Permit Operational Requirements No.1 requires the permittee to conduct regular, periodic examination of wastewater solids within the treatment plant in order to maintain an appropriate quantity and quality of solids inventory as described in the various operator training manuals and according to accepted industry standards for process control. Process control, maintenance, and operations records shall be retained at the facility site, or shall be readily available for review by TCEQ representative, for a 3 year period.

DOUBLE DIAMOND DBA THE CLIFFS RESORT

Investigation # 1035084

Are monthly effluent reports or discharge monitoring reports completed accurately, submitted and are copies maintained?

The permit limit for Total Dissolved Solids (TDS) at outfall -001 is a specific amount over the TDS of the lake water feed monitored at outfall -301. The TDS results from outfall -301 should be subtracted from the TDS results from outfall -001 prior to reporting the results on the DMR.

The pH meter calibration was being performed with expired buffers (4.0 and 10.0) and was not being documented.

Recommended Corrective Action: Please submit documentation that proper analytical methods and techniques are being used and that adequate records are being maintained.

Resolution: On September 26, 2012, the TCEQ DFW Region office received documentation indicating that the manganese oxide correction was being performed as required; and that new pH buffers were purchased. On September 27, 2012, the documentation was submitted indicating the TDS analysis would be conducted by EML Laboratories using an approved method.

Track No: 478918

30 TAC Chapter 319.11(c)

Alleged Violation:

Investigation: 1035084

Comment Date: 09/27/2012

Failure to use an EPA-approved method for effluent analysis. Specifically, the method used to conduct TDS analysis is not an approved method.

Recommended Corrective Action: Effluent shall be analyzed according to test methods specified in 40 Code of Federal Regulation (CFR) Part 136. Submit documentation indicating that an EPA-approved method is being utilized for TDS analysis.

Resolution: On September 27, 2012, the TCEQ DFW Region office received documentation that the TDS analysis would be conducted by EML Laboratory using an approved method.

ADDITIONAL ISSUES

Description

Does infiltration/inflow adversely affect the collection system and/or the WWTP?

Additional Comments

During the investigation it was determined that there is a problem with inflow and infiltration (I&I) into the collection system during heavy rain events. Although I&I has not resulted in sanitary sewer overflows (SSOs) or plant washout, it is recommended that Double Diamond take action to address the issue before these problems occur. Evaluating the collection system to identify sources of I&I is recommended.

Equalization basin(s) or tank(s)?

The equalization (EQ) basin is not currently in use. Considering the significant variation in flows during summer weekends and holiday, it would be advantageous to have a functioning EQ basin. A functioning EQ basin would also decrease the potential for a washout or upset of the plant during periods of high inflow and infiltration. It is recommended that consideration be given to bringing the EQ basin back online.

Are process control records maintained?

It was noted during the investigation that process control records were not being maintained. Permit Operational Requirements No.1 requires the permittee to conduct regular, periodic examination of wastewater solids within the treatment plant in order to maintain an appropriate quantity and quality of solids inventory as described in the various operator training manuals and according to accepted industry standards for process control. Process control, maintenance, and operations records shall be retained at the facility site, or shall be readily available for review by TCEQ representative, for a 3 year period.

DOUBLE DIAMOND DBA THE CLIFFS RESORT

Investigation # 1035084

Are monthly effluent reports or discharge monitoring reports completed accurately, submitted and are copies maintained?

The permit limit for Total Dissolved Solids (TDS) at outfall -001 is a specific amount over the TDS of the lake water feed monitored at outfall -301. The TDS results from outfall -301 should be subtracted from the TDS results from outfall -001 prior to reporting the results on the DMR.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 9, 2010

CERTIFIED MAIL 91 3408 2133 3931 7410 2079
RETURN RECEIPT REQUESTED

AUG 11 2010

~~Mr. Randy Gracy, President
Double Diamond Utilities, Co.
10100 North Central Expressway Suite 600
Dallas, Texas 75231~~

Re: Notice of Violation for the Comprehensive Compliance Investigation (CCI) at:
The Retreat, Wastewater Treatment Plant, Cleburne (Johnson County), Texas
RN103913919, TCEQ Additional ID WQ0014373001, Investigation No. 841539:

Dear Mr. Gracy:

On July 1, 2010 Derek Snyder of the Texas Commission on Environmental Quality (TCEQ) Fort Worth Region Office conducted an investigation of the above-referenced regulated entity 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 August 9, 2010 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 alleged violations, we have cited applicable requirements, including TCEQ rules. If you would like to obtain a copy of the applicable TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled "Obtaining TCEQ Rules."

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 DFW Region Office within 10 days from the date of this letter. At that time, Mr. Sid Slocum, Water Section Manager, will schedule a violation review meeting to be conducted within 21 days from the date of this letter.

If you or members of your staff have any questions, please feel free to contact Mr. Derek Snyder in the Fort Worth Region Office at 817-588-5896.

Sincerely,

Karen Smith

Per Sid Slocum,
Water Section Manager
Dallas/Fort Worth Region Office
01/15/13

SS:ds

✓ Cc: Lane Westbrook, Operator,
7725 FM 1434
Cleburne, Texas 76033 w/Summary of Findings

Enclosures: Investigation Report #841539
Summary of Investigation Findings
Investigation Sample Results
Obtaining TCEQ Rules

Summary of Investigation Findings

THE RETREAT WWTP

Investigation # 841539

, JOHNSON COUNTY,

Investigation Date: 07/01/2010

Additional ID(s): TX0125270
WQ0014373001

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

Track No: 407106 Compliance Due Date: 09/09/2010

30 TAC Chapter 312.145(b)(4)(A)

30 TAC Chapter 312.145(b)(4)(B)

30 TAC Chapter 312.145(b)(4)(C)

COPY

Alleged Violation:

Investigation: 841539

Comment Date: 7/29/2010

Failure to maintain adequate sludge disposal records. The last two sludge manifests dated June 23 and June 25 of 2010 indicate "septic" instead of sludge as the load and disposal information is missing from both.

Recommended Corrective Action: Future sludge manifests must be completely filled out, indicating sludge as the load and disposal information will be included indicating the facility accepting the sludge, address of the facility, dates and signatures. To show compliance, fax or mail in a sludge manifests from a future disposal events to the DFW Region Office.

Track No: 407119 Compliance Due Date: 09/09/2010

30 TAC Chapter 305.125(1)

Alleged Violation:

Investigation: 841539

Comment Date: 8/2/2010

Failed to meet minimum chlorine residual standard during sampling. While conducting region sampling, the grab sample collected did not meet chlorine residual minimum of 1.0 mg/L.

Recommended Corrective Action: Submit immediately to the DFW Region Office a description of the corrective action that has been taken or is underway to become compliant with the permit limit. Also, note that self-reporting effluent violations may be subject to enforcement, including penalties, upon review by the Enforcement Division.

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

Track No: 405842

30 TAC Chapter 305.125(1)

30 TAC Chapter 305.125(5)

Alleged Violation:

Investigation: 841539

Comment Date: 7/15/2010

Failure to maintain adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failure. During the inspection, it was noted that this facility still has not complied with the backup power requirement. This is a repeat B violation.

THE RETREAT WWTP

Investigation # 841539

Recommended Corrective Action: Secure a generator with enough capacity to operate critical components of the treatment plant, or secure an agreement with a secondary commercial power provider, or secure a rental generator and keep on site at all times. Fax or mail in applicable contracts or receipts to the DFW Region Office to show compliance.

Resolution: The DFW Region Office received documentation in the mail that shows the facility with an onsite back up generator.

Track No: 405853

30 TAC Chapter 305.125(1)

Alleged Violation:

Investigation: 841539

Comment Date: 7/29/2010

Failure to satisfy permit requirements for TSS for Feb 2010 monitoring period. While reviewing records, it was noted that TSS was exceeded during the Feb 2010 monitoring period.

Recommended Corrective Action: Make adjustments and monitor TSS as required.

Resolution: No other excursions have occurred prior to or since this incident. Will note and resolve.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 21, 2010

CERTIFIED MAIL #7004 2890 0002 6243 1042
RETURN RECEIPT REQUESTED

Randy Gracy, President
Double Diamond Utilities Co.
10100 North Central Expressway, Suite 600
Dallas, Texas 75231-4151

Re: Notice of Violation for the Compliance Evaluation Investigation at:
White Bluff Resorts WWTP, Whitney (Hill County), Texas
RN102329802, TCEQ Additional ID: WQ0013786002, Investigation No.: 829851

Dear Mr. Gracy:

On May 18, 2010, Elizabeth Vanderwerken of the Texas Commission on Environmental Quality (TCEQ) Waco Regional Office conducted an investigation of the above-referenced regulated entity 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 noncompliance's that have been resolved as an Area of Concern. In addition, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by August 20, 2010 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 alleged violations, we have cited applicable requirements, including TCEQ rules. If you would like to obtain a copy of the applicable TCEQ rules, you may contact any of the sources listed in the enclosed brochure entitled "Obtaining TCEQ Rules." 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 Waco Regional Office within 10 days from the date of this letter. At that time, Frank Burleson, Water and Waste Section Manager, will schedule a violation review meeting to be conducted within 21 days from the date of this letter.

REPLY TO: REGION 9 • 6801 SANGER AVE., STE. 2500 • WACO, TEXAS 76710-7826 • 254-751-0335 • FAX 254-772-9241

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy based ink

Mr. Gracy
July 21, 2010
Page 2

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, please feel free to contact Ms. Elizabeth Vanderwerken in the Waco Regional Office at (254) 751-0335.

Sincerely,



Frank Burleson
Water and Waste Section Manager
Waco Regional Office

FB/EV/gb

Enclosures: Summary of Investigation Findings
Obtaining TCEQ Rules

cc: Richard Zint, Utilities Manager

Summary of Investigation Findings

WHITE BLUFF

Investigation # 829851

, HILL COUNTY,

Investigation Date: 05/18/2010

Additional ID(s): TX0113913
WQ0013786002

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

Track No: 405584 Compliance Due Date: 08/20/2010
30 TAC Chapter 305.125(1)

PERMIT WQ0013786002, Monit. and Rprt. Reqs., No. 3b Pg. 5
Failure to comply with Monitoring and Reporting Requirements, No. 3b Pg. 5

Alleged Violation:

Investigation: 829851

Comment Date: 7/13/2010

Failure by the permittee to have the annual sludge report on site and available for review by the TCEQ Representative.

At the time of the investigation, it was noted that the annual sludge reports for 2004-2005, 2005-2006, and 2007-2008 were not readily available for review.

On May 26, 2010, the Waco Regional Office received documentation demonstrating compliance. The compliance documentation included a copy of the 2006-2007 and 2007-2008 annual sludge reports, but did not include 2004-2005 or 2005-2006 annual sludge reports. As a result, the compliance documentation was not adequate to resolve the violation.

Recommended Corrective Action: Please submit a copy of the 2004-2005 and 2005-2006 annual sludge reports to the TCEQ Waco Regional Office.

Track No: 405599 Compliance Due Date: 12/31/3000
30 TAC Chapter 305.125(1)

PERMIT WQ0013786002, Effl. Lmt. and Monit. Reqs., No. 1 Pg. 2
Failure to comply with Effluent Limitations and Monitoring Requirements, No. 1 Pg. 2

Alleged Violation:

Investigation: 829851

Comment Date: 7/13/2010

Failure by the permittee to ensure that the effluent is in compliance with the permitted effluent limitations.

During the record review, it was noted that the facility was not operating within permitted effluent limits for Carbonaceous Biochemical Oxygen Demand (CBOD) daily average and Ammonia Nitrogen (NH₃-N) daily average during March 2009 and flow daily average during November 2009.

Recommended Corrective Action: Please submit a letter describing the corrective actions that have been taken to become compliant with the permit limits to the TCEQ Waco Regional Office. Please be advised that self-reported effluent violations may be subject to enforcement action, including penalties, upon review by the Enforcement Division.

AREA OF CONCERN

Track No: 405592

30 TAC Chapter 305.125(1)

PERMIT WQ0013786002, Monit. and Rprt. Reqs., No. 3b Pg. 5

Failure to Comply with Monitoring and Reporting Requirements, No. 3b Pg. 5

Alleged Violation:

Investigation: 829851

Comment Date: 7/13/2010

Failure by the permittee to ensure that discharge monitoring reports (DMRs) are readily available for review.

At the time of the investigation, it was noted that the DMR for September 2009 was not readily available for review.

Resolution: On May 26, 2010, the Waco Regional Office received documentation demonstrating compliance. The compliance documentation included a copy of the September 2009 DMR. Therefore, the noncompliance was resolved as an Area of Concern.

Track No: 405601

30 TAC Chapter 305.125(1)

30 TAC Chapter 305.125(11)(C)(ii)

30 TAC Chapter 305.125(11)(C)(iii)

PERMIT WQ0013786002, Monit. and Rprt. Reqs., No. 3c Pg. 5

Failure to comply with Monitoring and Reporting Requirements, No. 3c Pg. 5

Alleged Violation:

Investigation: 829851

Comment Date: 7/13/2010

Failure by the permittee to maintain adequate records of monitoring activities.

At the time of the investigation, it was noted that the permittee did not record the sampler's identification or times of samples taken on the operator logs.

Resolution: On May 26, 2010, the TCEQ Waco Regional Office received documentation demonstrating compliance. The compliance documentation included an operator's log showing that sampler initials and times have been added. The noncompliance was resolved as an Area of Concern.

Track No: 405605

30 TAC Chapter 305.125(1)

PERMIT WQ0013786002, Operational Requirements, No. 1 Pg. 9

Failure to comply with Operational Requirements, No. 1 Pg. 9

Alleged Violation:

Investigation: 829851

Comment Date: 7/13/2010

Failure by the permittee to ensure that all systems of collection, treatment, and disposal are properly operated and maintained.

At the time of the investigation, excessive debris was present on the surface of the chlorine contact chamber (CCC), and approximately 12 inches of settled sludge was noted in the bottom of the first CCC and about 6 inches in the second CCC.

Resolution: On May 26, 2010, the Waco Regional Office received documentation demonstrating compliance. The compliance documentation included photographic documentation indicating that the settled sludge and solids have been removed from the CCC. The noncompliance was resolved as an Area of Concern.

Zint, Richard" <utilities@whitebluffresort.com> 9/2/2010 9:43 AM
>>> >>>

In March 2009 we went over on CBOD and NH3-N on the DMR It was due to heavy rain. At that time we made some adjustments' to the waste water plant, as we had just started the seconded plant to handle the high flows.And have not went over on the CBODs and NH3-N as of 09/02/2010.

Attachment 3

The Retreat Utility Department

Department Code	Emp#	Name	Job Title	Hires Date	Term Date	Refers Date	Class Pay	Current Rate	Max Rate	Qualification	Water Cost	Year (2000-2001)
6090	ALFOR	Rolland E. Alford	TR-Utility Operator	11/10/08	06/19/12		\$16,191.20	\$14.79		D Water	27.00%	73.00%
6090	BARTE	Eric Shawn Bartlett	TR-Chief Utility Operator	07/01/12			\$12,948.92	\$14.00		C Water D Water expected by 3/13	40%	60.00%
6090	ELLIP1	Phillip Ellis	TR-Utility Operator	07/01/12			\$7,322.30	\$10.00	8/29/2012		27.00%	73%
6090	WESTL1	Lane D Westbrooks	TR-Utility Manager	10/12/07	08/31/12		\$26,669.47	\$30,600.00		C Water	40%	60%
6065	WESTW	Eldon B Western	TR-Main & Utility Manager	1/25/1993			\$62,500.00				25%	
6095	COLMJ	Juan Colmenero	DDC Equip Operator			6/8/2001		\$18.60				hourly as used for repairs and taps

The Retreat Utility Dept Job Description 2013

Chief Utility Operator (Shawn Bartlett)

- 1) Responsible for daily operation and maintenance of waste water & water plants.
- 2) Keeps daily, monthly and annual records of water & waste water plants.
- 3) Install new water and sewer taps
- 4) Perform necessary repairs to all utility plants, water distribution and sewer collection systems.
- 5) Alternate weekly for emergency call-ins for service calls, power outages, etc
- 6) Complete work orders for new taps, service calls, and repairs.
- 7) Keep daily time sheet of activities.
- 8) Purchase of day to day materials and supplies necessary to operate both systems.
- 9) Responsible for proper taking of weekly and monthly water and waste water samples.

Utility Operator (Phillip Ellis)

- 1) Assist chief operator with testing and cleaning of water and waste water plants.
- 2) Install new water and sewer taps.
- 3) Perform necessary repairs to all utility plants, water distribution and sewer collection systems.
- 4) Flush water mains and take weekly pressure and CL2 readings in distribution system.
- 5) Alternate weekly for emergency call-ins for service calls, power outages, etc.
- 6) Monthly meter readings.
- 7) Keep daily time sheet of activities.

Utility Manager (Burnie Western)

- 1) Provide overall daily supervision of utility personnel.
- 2) Inspect all repair, construction and new tap work performed by utility personnel.
- 3) Review weekly and monthly reports as well as monthly meter readings for accuracy.
- 4) Insure proper training, safety procedures and performance of utility personnel.
- 5) Responsible for staff performance, reviews and disciplinary action if necessary.
- 6) Insure that all work orders and reporting is accomplished in a timely manner.
- 7) Perform by-weekly payroll reporting for utility personnel.
- 8) Daily and weekly inspection of all utility facilities and monitoring subdivision for leaks.
- 9) Assist corporate office with creation of annual operations budget for Utility Dept.
- 10) Review and approval of purchase orders and financial statement to insure operation within budget parameters
- 11) Intervene in complex customer complaints and address any customer questions regarding new taps and home construction in development.
- 12) Responsible for tracking pump and flow totals and system performance to insure appropriate planning for necessary future expansion or updating of facilities to properly service customers and meet state requirements

Employers State, Local, or File Copy 22222		2012		OMB No. 1545-0008
a Employee's soc. sec. no.	1 Wages, tips, other comp. 15381.64	2 Federal income tax withheld 1598.94		
	3 Social security wages 16191.20	4 Social security tax withheld 680.02		
b Employer ID number (EIN) 75-2683668	5 Medicare wages and tips 16191.20	6 Medicare tax withheld 234.78		

c Employer's name, address, and ZIP code
NATIONAL RESORT MANAGEMENT CORP.
5495 BELT LINE ROAD, SUITE 200
DALLAS, TX 75254

d Control number
ALFOR

e Employee's name, address, and ZIP code
ROLLAND E ALFORD

7 Social security tips	8 Allocated tips	9
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12 D 809.56
13 Statutory employee	14 Other	12b Code DD 801.32
Retirement plan X		12c Code
Third-party sick pay		12d Code
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement
 For Privacy Act and Paperwork Reduction Act
 Act Notice, see separate instructions. Dept. of the Treasury -- IRS

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DALLAS, TX 75254

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ALFOR

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Employers State, Local, or File Copy 22222		2012		OMB No. 1545-0008
a Employee's soc. sec. no.	1 Wages, tips, other comp. 13003.92	2 Federal income tax withheld 540.48		
	3 Social security wages 13003.92	4 Social security tax withheld 546.17		
b Employer ID number (EIN) 75-2683668	5 Medicare wages and tips 13003.92	6 Medicare tax withheld 188.55		

c Employer's name, address, and ZIP code
NATIONAL RESORT MANAGEMENT CORP.
5495 BELT LINE ROAD, SUITE 200
DALLAS, TX 75254

d Control number
BARTE

e Employee's name, address, and ZIP code
ERIC SHAWN BARTLETT

7 Social security tips	8 Allocated tips	9
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12
13 Statutory employee	14 Other	12b Code
Retirement plan		12c Code
Third-party sick pay		12d Code
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax
18 Local wages, tips, etc.	19 Local income tax	20 Locality name

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c Employer's name, address, and ZIP code
NATIONAL RESORT MANAGEMENT CORP.
5495 BELT LINE ROAD, SUITE 200
DALLAS, TX 75254

d Control number
BARTE

e Employee's name, address, and ZIP code
ERIC SHAWN BARTLETT

7 Social security tips	8 Allocated tips	9
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12
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18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form W-2 Wage and Tax Statement
 For Privacy Act and Paperwork Reduction Act
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Employers State, Local, or File Copy		22222	2012	OMB No. 1545-0008
a Employee's soc. sec. no.	1 Wages, tips, other comp.	9779.22		2 Federal income tax withheld 565.17
	3 Social security wages	9779.22		4 Social security tax withheld 410.71
b Employer ID number (EIN) 75-2683668	5 Medicare wages and tips	9779.22		6 Medicare tax withheld 141.82
	c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number ELLIP1				
e Employee's name, address, and ZIP code PHILLIP ELLIS				
7 Social security tips		8 Allocated tips		9
10 Dependent care benefits		11 Nonqualified plans		12a Code See inst. for box 12
13 Statutory employee	14 Other		12b Code	
	Retirement plan		12c Code	
	Third-party sick pay		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax		
18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

Form W-2 Wage and Tax Statement
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Dept. of the Treasury -- IRS

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d Control number ELLIP1				
e Employee's name, address, and ZIP code PHILLIP ELLIS				
7 Social security tips		8 Allocated tips		9
10 Dependent care benefits		11 Nonqualified plans		12a Code See inst. for box 12
13 Statutory employee	14 Other		12b Code	
	Retirement plan		12c Code	
	Third-party sick pay		12d Code	
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Form W-2 Wage and Tax Statement
For Privacy Act and Paperwork Reduction Act
Act Notice, see separate instructions.

Dept. of the Treasury -- IRS

Employers State, Local, or File Copy		22222	2012	OMB No. 1545-0008
a Employee's soc. sec. no.	1 Wages, tips, other comp.	26669.47		2 Federal income tax withheld 1320.36
	3 Social security wages	26669.47		4 Social security tax withheld 1120.12
b Employer ID number (EIN) 75-2683668	5 Medicare wages and tips	26669.47		6 Medicare tax withheld 386.77
	c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number WESTL1				
e Employee's name, address, and ZIP code LANE D WESTBROOKS				
7 Social security tips		8 Allocated tips		9
10 Dependent care benefits		11 Nonqualified plans		12a Code See inst. for box 12
13 Statutory employee	14 Other		12b Code	
	Retirement plan		12c Code	
	Third-party sick pay		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax		
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Form W-2 Wage and Tax Statement
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Dept. of the Treasury -- IRS

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d Control number WESTL1				
e Employee's name, address, and ZIP code LANE D WESTBROOKS				
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Form W-2 Wage and Tax Statement
For Privacy Act and Paperwork Reduction Act
Act Notice, see separate instructions.

Dept. of the Treasury -- IRS

Double Diamond Companies
2012 Budget
DDU - The Retreat Utilities - 6090
Labor Transfers

Please enter the Department in the column labeled "Transfer Services to be provided". If you are transferring from the same department, please enter the same.

Employee Name	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Total
Roland Allford	(592)	(592)	(740)	(592)	(740)	(740)	(740)	(740)	(740)	(740)	(740)	(740)	(6,282)
Total Labor Transfers	(592)	(592)	(740)	(592)	(740)	(740)	(740)	(740)	(740)	(740)	(740)	(740)	(6,282)

25% of salary to Water/Sewer Taps Jobs - (5% water/20% sewer)
DO NOT SET UP AS A RECURRING JE

Please enter the Department in the column labeled "Transfer Services from Department". Amount for each period should detail of transfers provided.

Employee Name to Transfer	Department	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Total
Regional Director	DDC-3210	625	625	625	625	625	625	625	625	625	625	625	625	7,500
Home Office Accounting	NRM-2010	302	302	302	302	302	302	302	302	302	302	302	302	3,624
Burnie Western	6065	2,365	2,365	2,957	2,365	2,365	2,957	2,365	2,957	2,365	2,365	2,957	2,957	30,730
Total		3,292	3,292	4,186	3,292	3,292	4,186	3,292	4,186	3,292	3,292	4,186	4,186	49,992

Note: Amounts will be entered as an addition to compensation, but not as a transfer.

Regional Director - DDU-6090 receives 10% of Director's monthly salary for his services.
 Home Office Accounting - Utility Billing & Utility Customer Service - 5%

Burnie Western - 50% of salary from 6065

Copy B—To Be Filed With Employee's FEDERAL Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 61642.80	2 Federal income tax withheld 9780.83	
b Employer ID number (EIN) 75-2683668	3 Social security wages 64817.74	4 Social security tax withheld 2722.42	
	5 Medicare wages and tips 64817.74	6 Medicare tax withheld 939.86	
c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number WESTE			
e Employee's name, address, and ZIP code ELDON B WESTERN			
7 Social security tips	8 Allocated tips	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12 D 3174.94	
13 Statutory employee	14 Other	12b Code DD 9994.42	
Retirement plan X	Third-party sick pay	12c Code	
Third-party sick pay		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS
This information is being furnished to the Internal Revenue Service. www.irs.gov/efile

Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 61642.80	2 Federal income tax withheld 9780.83	
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Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS

Copy C—For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 61642.80	2 Federal income tax withheld 9780.83	
b Employer ID number (EIN) 75-2683668	3 Social security wages 64817.74	4 Social security tax withheld 2722.42	
	5 Medicare wages and tips 64817.74	6 Medicare tax withheld 939.86	
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d Control number WESTE			
e Employee's name, address, and ZIP code FLDON B WESTERN			
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Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS
This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it

Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 61642.80	2 Federal income tax withheld 9780.83	
b Employer ID number (EIN) 75-2683668	3 Social security wages 64817.74	4 Social security tax withheld 2722.42	
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Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS
L4UP

Copy B—To Be Filed With Employee's FEDERAL Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 38436.61	2 Federal income tax withheld 4977.43	
b Employer ID number (EIN) 75-2683668	3 Social security wages 42981.92	4 Social security tax withheld 1805.19	
	5 Medicare wages and tips 42981.92	6 Medicare tax withheld 623.29	
c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number GIBSP			
e Employee's name, address, and ZIP code PATRICIA M GIBSON			
7 Social security tips	8 Allocated tips	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12 D	4545.31
13 Statutory employee	14 Other	12b Code DD	9994.42
Retirement plan <input checked="" type="checkbox"/>		12c Code	
Third-party sick pay <input checked="" type="checkbox"/>		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS
This information is being furnished to the Internal Revenue Service. www.irs.gov/efile

Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 38436.61	2 Federal income tax withheld 4977.43	
b Employer ID number (EIN) 75-2683668	3 Social security wages 42981.92	4 Social security tax withheld 1805.19	
	5 Medicare wages and tips 42981.92	6 Medicare tax withheld 623.29	
c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number GIBSP			
e Employee's name, address, and ZIP code PATRICIA M GIBSON			
7 Social security tips	8 Allocated tips	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code D	4545.31
13 Statutory employee	14 Other	12b Code DD	9994.42
Retirement plan <input checked="" type="checkbox"/>		12c Code	
Third-party sick pay <input checked="" type="checkbox"/>		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS

Copy C—For EMPLOYEE'S RECORDS (See Notice to Employee on the back of Copy B.)		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 38436.61	2 Federal income tax withheld 4977.43	
b Employer ID number (EIN) 75-2683668	3 Social security wages 42981.92	4 Social security tax withheld 1805.19	
	5 Medicare wages and tips 42981.92	6 Medicare tax withheld 623.29	
c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number GIBSP			
e Employee's name, address, and ZIP code PATRICIA M GIBSON			
7 Social security tips	8 Allocated tips	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code See inst. for box 12 D	4545.31
13 Statutory employee	14 Other	12b Code DD	9994.42
Retirement plan <input checked="" type="checkbox"/>		12c Code	
Third-party sick pay <input checked="" type="checkbox"/>		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS
This information is being furnished to the IRS if you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return.		41-0852411 OMB No. 1545-0008	
a Employee's soc. sec. no.	1 Wages, tips, other comp. 38436.61	2 Federal income tax withheld 4977.43	
b Employer ID number (EIN) 75-2683668	3 Social security wages 42981.92	4 Social security tax withheld 1805.19	
	5 Medicare wages and tips 42981.92	6 Medicare tax withheld 623.29	
c Employer's name, address, and ZIP code NATIONAL RESORT MANAGEMENT CORP. 5495 BELT LINE ROAD, SUITE 200 DALLAS, TX 75254			
d Control number GIBSP			
e Employee's name, address, and ZIP code PATRICIA M GIBSON			
7 Social security tips	8 Allocated tips	9	
10 Dependent care benefits	11 Nonqualified plans	12a Code D	4545.31
13 Statutory employee	14 Other	12b Code DD	9994.42
Retirement plan <input checked="" type="checkbox"/>		12c Code	
Third-party sick pay <input checked="" type="checkbox"/>		12d Code	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form W-2 Wage and Tax Statement **2012** Dept. of the Treasury -- IRS

Attachment 4

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A)	(B)	(C)	(D)	(E)	(F)
1	Depreciation Calculated as of 12/31/2013					
2	TCEQ Category	Description	Acquired Date	Claimed Economic Life (years)	Claimed Original Cost	% Used & Useful
3	Land	6023..001 Well #1	Land	n/a	25,760	100%
4	Land	6034..011 Well #2	Land	n/a	31,680	100%
5	Land	6033..001 Water Plant	Land	n/a	14,880	100%
6	Distribution System	pressure reducing valves	1/4/2002	50	388	100%
7	Distribution System	pipng	4/19/2002	50	9,450	100%
8	Distribution System	pipng	4/19/2002	50	983	100%
9	Distribution System	pipng	4/26/2002	50	8,040	100%
10	Distribution System	pipng	5/8/2002	50	1,566	100%
11	Distribution System	pipng	5/13/2002	50	7,076	100%
12	Distribution System	waterlines	5/14/2002	50	16,775	100%
13	Distribution System	pipng	5/21/2002	50	18,771	100%
14	Distribution System	pipng	5/24/2002	50	31,353	100%
15	Distribution System	concrete blocking	5/30/2002	50	141	100%
16	Distribution System	water sewer mains	6/3/2002	50	10,992	100%
17	Distribution System	mains	6/13/2002	50	98	100%
18	Engineering	water and sewer engineering	6/18/2002	5	9,600	100%
19	Distribution System	mains	6/18/2002	50	7,838	100%
20	Distribution System	pipng	6/24/2002	50	4,565	100%
21	Distribution System	mains	7/10/2002	50	2,200	100%
22	Distribution System	pipng	7/11/2002	50	116	100%
23	Distribution System	mains	7/16/2002	50	4,001	100%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A)	(B)	(G)	(H)	(I)	(J)
1	Depreciation Calculated as of					
2	TCEQ Category	Description	Ver./Est. Original Cost.	Economic Life (years)	Actual Deprec. Life	Annual Depreciation
3	Land	6023..001 Well #1	25,760	n/a	n/a	n/a
4	Land	6034..011 Well #2	31,680	n/a	n/a	n/a
5	Land	6033..001 Water Plant	14,880	n/a	n/a	n/a
6	Distribution System	pressure reducing valves	388	50	12	8
7	Distribution System	piping	9,450	50	12	189
8	Distribution System	piping	983	50	12	20
9	Distribution System	piping	8,040	50	12	161
10	Distribution System	piping	1,566	50	12	31
11	Distribution System	piping	7,076	50	12	142
12	Distribution System	waterlines	16,775	50	12	336
13	Distribution System	piping	18,771	50	12	375
14	Distribution System	piping	31,353	50	12	627
15	Distribution System	concrete blocking	141	50	12	3
16	Distribution System	water sewer mains	10,992	50	12	220
17	Distribution System	mains	98	50	12	2
18	Engineering	water and sewer engineering	9,600	5	12	-
19	Distribution System	mains	7,838	50	12	157
20	Distribution System	piping	4,565	50	12	91
21	Distribution System	mains	2,200	50	11	44
22	Distribution System	piping	116	50	11	2
23	Distribution System	mains	4,001	50	11	80

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No. Col (A) (B) (K) (L) (M)

1	Depreciation Calculated as of				
2	TCEQ Category	Description	Accumulated Depreciation	Net Plant	% of Plant Paid for by developer
3	Land	6023..001 Well #1	n/a	25,760	80%
4	Land	6034..011 Well #2	n/a	31,680	0%
5	Land	6033..001 Water Plant	n/a	14,880	80%
6	Distribution System	pressure reducing valves	93	295	80%
7	Distribution System	pipng	2,213	7,237	80%
8	Distribution System	pipng	230	753	80%
9	Distribution System	pipng	1,880	6,160	80%
10	Distribution System	pipng	365	1,201	80%
11	Distribution System	pipng	1,648	5,428	80%
12	Distribution System	waterlines	3,906	12,869	80%
13	Distribution System	pipng	4,363	14,408	80%
14	Distribution System	pipng	7,283	24,071	80%
15	Distribution System	concrete blocking	33	109	80%
16	Distribution System	water sewer mains	2,547	8,445	80%
17	Distribution System	mains	23	75	80%
18	Engineering	water and sewer engineering	9,600	-	80%
19	Distribution System	mains	1,810	6,028	80%
20	Distribution System	pipng	1,053	3,512	80%
21	Distribution System	mains	505	1,695	80%
22	Distribution System	pipng	27	89	80%
23	Distribution System	mains	918	3,083	80%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	(B) Description	(N) Contributions in Aid of Construction		(O) Customer \$
			Developer \$	Customer \$	
1		Depreciation Calculated as of			
3	Land	6023..001 Well #1	20,608		
4	Land	6034..011 Well #2			
5	Land	6033..001 Water Plant	11,904		
6	Distribution System	pressure reducing valves	236		
7	Distribution System	piping	5,790		
8	Distribution System	piping	602		
9	Distribution System	piping	4,928		
10	Distribution System	piping	961		
11	Distribution System	piping	4,343		
12	Distribution System	waterlines	10,296		
13	Distribution System	piping	11,526		
14	Distribution System	piping	19,257		
15	Distribution System	concrete blocking	87		
16	Distribution System	water sewer mains	6,756		
17	Distribution System	mains	60		
18	Engineering	water and sewer engineering			
19	Distribution System	mains	4,822		
20	Distribution System	piping	2,810		
21	Distribution System	mains	1,356		
22	Distribution System	piping	72		
23	Distribution System	mains	2,467		

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	Col (B) Description	Depreciation Calculated as of 12/31/2013		Col (D) Claimed Economic Life (years)	Col (E) Claimed Original Cost	Col (F) % Used & Useful
			Col (C) Acquired Date				
1							
24	Distribution System	lines	7/29/2002		50	4,593	100%
25	Pressure Tank	PT, 8,000 gallons	8/7/2002		50	15,776	15%
26	Distribution System	pipng	8/8/2002		50	5,570	100%
27	Distribution System	lines	8/19/2002		50	1,458	100%
28	Storage Tank	storage tank, 100,000 gallons	8/23/2002		50	50,684	12%
29	Distribution System	lines	8/28/2002		50	10,003	100%
30	Engineering	CCN	8/31/2002		5	420	100%
31	Equipment Rental	heavy equipment rental	9/3/2002		20	1,147	100%
32	Distribution System	lines	9/9/2002		50	7,205	100%
33	Improvements	paint well house	9/13/2002		50	250	100%
34	Distribution System	lines	9/17/2002		50	8,635	100%
35	Distribution System	lines	9/18/2002		50	561	100%
36	Distribution System	lines	9/27/2002		50	30,428	100%
37	Distribution System	lines	9/30/2002		50	18,645	100%
38	Distribution System	lines	10/8/2002		50	12,898	100%
39	Distribution System	fittings	10/16/2002		50	13,031	100%
40	Distribution System	lines	10/21/2002		50	15,923	100%
41	Distribution System	pipng and fittings	10/25/2002		50	2,839	100%
42	Booster Pump (More than 5)	insulation	10/28/2002		10	111	100%
43	Improvements	well #1	10/31/2002		20	173,142	100%
44	Distribution System	pipng	10/31/2002		50	227	100%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No. (A) (B) (C) (D) (E) (F) (G) (H) (I) (J)

		Depreciation Calculated as of					
1	2	TCEQ Category	Description	Ver./Est. Original Cost.	Economic Life (years)	Actual Deprec. Life	Annual Depreciation
24		Distribution System	lines	4,593	50	11	92
25		Pressure Tank	PT, 8,000 gallons	2,366	50	11	47
26		Distribution System	pipng	5,570	50	11	111
27		Distribution System	lines	1,458	50	11	29
28		Storage Tank	storage tank, 100,000 gallons	6,082	50	11	122
29		Distribution System	lines	10,003	50	11	200
30		Engineering	CCN	420	5	11	-
31		Equipment Rental	heavy equipment rental	1,147	20	11	57
32		Distribution System	lines	7,205	50	11	144
33		Improvements	paint well house	250	20	11	13
34		Distribution System	lines	8,635	50	11	173
35		Distribution System	lines	561	50	11	11
36		Distribution System	lines	30,428	50	11	609
37		Distribution System	lines	18,645	50	11	373
38		Distribution System	lines	12,898	50	11	258
39		Distribution System	fittings	13,031	50	11	261
40		Distribution System	lines	15,923	50	11	318
41		Distribution System	pipng and fittings	2,839	50	11	57
42		Booster Pump (More than 5)	insulation	111	10	11	-
43		Improvements	well #1	173,142	20	11	8,657
44		Distribution System	pipng	227	50	11	5

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No. Col (A) (B) (K) (L) (M)

		Depreciation Calculated as of				
1	2	TCEQ Category	Description	Accumulated Depreciation	Net Plant	% of Plant Paid for by developer
24		Distribution System	lines	1,050	3,542	80%
25		Pressure Tank	PT, 8,000 gallons	540	1,826	80%
26		Distribution System	pipng	1,271	4,299	80%
27		Distribution System	lines	332	1,126	80%
28		Storage Tank	storage tank, 100,000 gallons	1,382	4,700	80%
29		Distribution System	lines	2,271	7,732	80%
30		Engineering	CCN	420	-	80%
31		Equipment Rental	heavy equipment rental	650	497	80%
32		Distribution System	lines	1,631	5,574	80%
33		Improvements	paint well house	141	109	80%
34		Distribution System	lines	1,951	6,684	80%
35		Distribution System	lines	127	434	80%
36		Distribution System	lines	6,858	23,570	80%
37		Distribution System	lines	4,199	14,446	80%
38		Distribution System	lines	2,899	9,999	80%
39		Distribution System	fittings	2,923	10,107	80%
40		Distribution System	lines	3,568	12,355	80%
41		Distribution System	pipng and fittings	635	2,204	80%
42		Booster Pump (More than 5)	insulation	111	-	80%
43		Improvements	well #1	96,746	76,396	80%
44		Distribution System	pipng	51	176	80%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	(B) Description	(N) Contributions in Aid of Construction		(O)
			Developer \$	Customer \$	
1		Depreciation Calculated as of			
24	Distribution System	lines	2,834		
25	Pressure Tank	PT, 8,000 gallons	1,461		
26	Distribution System	pipng	3,440		
27	Distribution System	lines	901		
28	Storage Tank	storage tank, 100,000 gallons	3,760		
29	Distribution System	lines	6,186		
30	Engineering	CCN	-		
31	Equipment Rental	heavy equipment rental	398		
32	Distribution System	lines	4,459		
33	Improvements	paint well house	87		
34	Distribution System	lines	5,347		
35	Distribution System	lines	347		
36	Distribution System	lines	18,856		
37	Distribution System	lines	11,557		
38	Distribution System	lines	7,999		
39	Distribution System	fittings	8,086		
40	Distribution System	lines	9,884		
41	Distribution System	pipng and fittings	1,763		
42	Booster Pump (More than 5)	insulation	-		
43	Improvements	well #1	61,117		
44	Distribution System	pipng	141		

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A)	(B)	(C)	(D)	(E)	(F)
1	Depreciation Calculated as of 12/31/2013					
2	TCEQ Category	Description	Acquired Date	Claimed Economic Life (years)	Claimed Original Cost	% Used & Useful
45	Distribution System	lines	11/5/2002	50	2,585	100%
46	Distribution System	pipng	11/6/2002	50	6,961	100%
47	Storage Tank	Tank Pad	11/25/2002	50	7,120	100%
48	Distribution System	pipng and sleeves	12/3/2002	50	18,815	100%
49	Storage Tank	tank parts	12/11/2002	50	162	100%
50	Distribution System	sleeves	12/12/2002	50	2,442	100%
51	Distribution System	haul trench material	12/12/2002	50	5,736	100%
52	Booster Pump (More than 5)	booster station	12/18/2002	10	4,650	100%
53	Booster Pump (More than 5)	booster pumps (2)	12/18/2002	10	5,328	100%
54	Distribution System	fittings	12/19/2002	50	1,708	100%
55	Distribution System	pipng	12/19/2002	50	714	100%
56	Distribution System	utilities	12/23/2002	50	3,575	100%
57	Improvements	pump house	1/2/2003	20	1,590	100%
58	Improvements	well house roof	1/6/2003	20	150	100%
59	Distribution System	fittings	1/8/2003	50	5,117	100%
60	Storage Tank	Erect Water Storage Tank	1/8/2003	50	11,875	12%
61	Wells	Concrete for WTP	1/15/2003	50	168	100%
62	Improvements	electrical for pump station	1/23/2003	20	15,764	100%
63	Improvements	pump house metal work	1/27/2003	20	130	100%
64	Storage Tank	hoisting service to set tank	1/27/2003	50	380	100%
65	Distribution System	wtp pipng	1/28/2003	50	139	100%
66	Improvements	paint booster pump house	1/31/2003	20	450	100%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A)	(B)	(G)	(H)	(I)	(J)
1	Depreciation Calculated as of					
2	TCEQ Category	Description	Ver./Est. Original Cost.	Economic Life (years)	Actual Deprec. Life	Annual Depreciation
45	Distribution System	lines	2,585	50	11	52
46	Distribution System	pipng	6,961	50	11	139
47	Storage Tank	Tank Pad	7,120	50	11	142
48	Distribution System	pipng and sleeves	18,815	50	11	376
49	Storage Tank	tank parts	162	50	11	3
50	Distribution System	sleeves	2,442	50	11	49
51	Distribution System	haul trench material	5,736	50	11	115
52	Booster Pump (More than 5)	booster station	4,650	10	11	-
53	Booster Pump (More than 5)	booster pumps (2)	5,328	10	11	-
54	Distribution System	fittings	1,708	50	11	34
55	Distribution System	pipng	714	50	11	14
56	Distribution System	utilities	3,575	50	11	72
57	Improvements	pump house	1,590	20	11	79
58	Improvements	well house roof	150	20	11	8
59	Distribution System	fittings	5,117	50	11	102
60	Storage Tank	Erect Water Storage Tank	1,425	50	11	29
61	Wells	Concrete for WTP	168	50	11	3
62	Improvements	electrical for pump station	15,764	20	11	788
63	Improvements	pump house metal work	130	20	11	7
64	Storage Tank	hoisting service to set tank	380	50	11	8
65	Distribution System	wtp pipng	139	50	11	3
66	Improvements	paint booster pump house	450	20	11	23

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No. Col (A) (B) (K) (L) (M)

1		Depreciation Calculated as of			
2	TCEQ Category	Description	Accumulated Depreciation	Net Plant	% of Plant Paid for by developer
45	Distribution System	lines	577	2,008	80%
46	Distribution System	pipng	1,554	5,408	80%
47	Storage Tank	Tank Pad	1,582	5,538	80%
48	Distribution System	pipng and sleeves	4,171	14,644	80%
49	Storage Tank	tank parts	36	126	80%
50	Distribution System	sleeves	540	1,902	80%
51	Distribution System	haul trench material	1,269	4,467	80%
52	Booster Pump (More than 5)	booster station	4,650	-	80%
53	Booster Pump (More than 5)	booster pumps (2)	5,328	-	80%
54	Distribution System	fittings	377	1,331	80%
55	Distribution System	pipng	158	556	80%
56	Distribution System	utilities	789	2,786	80%
57	Improvements	pump house	875	715	80%
58	Improvements	well house roof	82	68	80%
59	Distribution System	fittings	1,124	3,993	80%
60	Storage Tank	Erect Water Storage Tank	313	1,112	80%
61	Wells	Concrete for WTP	37	131	80%
62	Improvements	electrical for pump station	8,627	7,137	80%
63	Improvements	pump house metal work	71	59	80%
64	Storage Tank	hoisting service to set tank	83	297	80%
65	Distribution System	wtp pipng	30	108	80%
66	Improvements	paint booster pump house	246	204	80%

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	(B) Description	(N) Depreciation Calculated as of		(O) Contributions in Aid of Construction	
			Developer \$	Customer \$	Developer \$	Customer \$
1						
45	Distribution System	lines			1,606	
46	Distribution System	piping			4,326	
47	Storage Tank	Tank Pad			4,431	
48	Distribution System	piping and sleeves			11,715	
49	Storage Tank	tank parts			101	
50	Distribution System	sleeves			1,521	
51	Distribution System	haul trench material			3,574	
52	Booster Pump (More than 5)	booster station			-	
53	Booster Pump (More than 5)	booster pumps (2)			-	
54	Distribution System	fittings			1,065	
55	Distribution System	piping			445	
56	Distribution System	utilities			2,229	
57	Improvements	pump house			572	
58	Improvements	well house roof			54	
59	Distribution System	fittings			3,194	
60	Storage Tank	Erect Water Storage Tank			890	
61	Wells	Concrete for WTP			105	
62	Improvements	electrical for pump station			5,710	
63	Improvements	pump house metal work			47	
64	Storage Tank	hoisting service to set tank			238	
65	Distribution System	wtp piping			87	
66	Improvements	paint booster pump house			163	

Double Diamond Utilities Co. / The Retreat
 Application for a Rate / Tariff Change
 Test Year Ended 12/31/2012
 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	Col (B) Description	Col (C) Acquired Date	Col (D) Claimed Economic Life (years)	Col (E) Claimed Original Cost	Col (F) % Used & Useful
1		Depreciation Calculated as of 12/31/2013				
2						
67	Improvements	wtp appurtenances	2/6/2003	20	131	100%
68	Distribution System	pipe and fittings	2/6/2003	50	5,293	100%
69	Distribution System	pipe and fittings	2/7/2003	50	2,609	100%
70	Improvements	flume sand at well	2/11/2003	20	112	100%
71	Improvements	Well No. 1 piping	2/19/2003	20	9,175	100%
72	Distribution System	pipe and fittings	2/24/2003	50	1,555	100%
73	Distribution System	plumbing supplies	4/11/2003	50	62	100%
74	Equipment Rental	heavy equipment rental	4/11/2003	20	11,471	100%
75	Fencing	fence for well	4/22/2003	20	3,514	100%
76	Fencing	wtp fence	5/29/2003	20	4,120	100%
77	Equipment Rental	heavy equipment rental	6/10/2003	20	2,868	100%
78	Meters and Service	water meter and vaults	6/13/2003	20	3,609	100%
79	Distribution System	fittings	7/20/2003	50	346	100%
80	Distribution System	fittings	7/29/2003	50	92	100%
81	Engineering	engineering	11/18/2003	5	900	100%
82	Engineering	well site survey	12/3/2003	5	435	100%
83	Distribution System	piping	1/12/2004	50	8,531	100%
84	Distribution System	water main	1/15/2004	50	10,000	100%
85	Distribution System	piping	1/27/2004	50	39,637	100%
86	Hydrants	hydrants	1/30/2004	20	7,326	100%
87	Distribution System	water main	2/2/2004	50	50,000	100%
88	Distribution System	appurtenances	2/6/2004	50	446	100%

Double Diamond Utilities Co. / The Retreat
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Line No.	Col (A)	(B)	(G)	(H)	(I)	(J)
1	Depreciation Calculated as of					
2	TCEQ Category	Description	Ver./Est. Original Cost.	Economic Life (years)	Actual Deprec. Life	Annual Depreciation
67	Improvements	wtp appurtenances	131	20	11	7
68	Distribution System	pipe and fittings	5,293	50	11	106
69	Distribution System	pipe and fittings	2,609	50	11	52
70	Improvements	flume sand at well	112	20	11	6
71	Improvements	Well No. 1 piping	9,175	20	11	459
72	Distribution System	pipe and fittings	1,555	50	11	31
73	Distribution System	plumbing supplies	62	50	11	1
74	Equipment Rental	heavy equipment rental	11,471	20	11	574
75	Fencing	fence for well	3,514	20	11	176
76	Fencing	wtp fence	4,120	20	11	206
77	Equipment Rental	heavy equipment rental	2,868	20	11	143
78	Meters and Service	water meter and vaults	3,609	20	11	180
79	Distribution System	fittings	346	50	10	7
80	Distribution System	fittings	92	50	10	2
81	Engineering	engineering	900	5	10	-
82	Engineering	well site survey	435	5	10	-
83	Distribution System	piping	8,531	50	10	171
84	Distribution System	water main	10,000	50	10	200
85	Distribution System	piping	39,637	50	10	793
86	Hydrants	hydrants	7,326	20	10	366
87	Distribution System	water main	50,000	50	10	1,000
88	Distribution System	appurtenances	446	50	10	9

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Line No. Co (A) (B) (K) (L) (M)

1		Depreciation Calculated as of			
2	TCEQ Category	Description	Accumulated Depreciation	Net Plant	% of Plant Paid for by developer
67	Improvements	wtp appurtenances	71	59	80%
68	Distribution System	pipe and fittings	1,155	4,138	80%
69	Distribution System	pipe and fittings	569	2,040	80%
70	Improvements	flume sand at well	61	51	80%
71	Improvements	Well No. 1 piping	4,987	4,188	80%
72	Distribution System	pipe and fittings	338	1,218	80%
73	Distribution System	plumbing supplies	13	48	80%
74	Equipment Rental	heavy equipment rental	6,155	5,316	80%
75	Fencing	fence for well	1,880	1,634	80%
76	Fencing	wtp fence	2,184	1,936	80%
77	Equipment Rental	heavy equipment rental	1,515	1,353	80%
78	Meters and Service	water meter and vaults	1,905	1,704	80%
79	Distribution System	fittings	72	273	80%
80	Distribution System	fittings	19	73	80%
81	Engineering	engineering	900	-	80%
82	Engineering	well site survey	435	-	80%
83	Distribution System	piping	1,702	6,829	80%
84	Distribution System	water main	1,993	8,007	80%
85	Distribution System	piping	7,875	31,762	80%
86	Hydrants	hydrants	3,636	3,690	80%
87	Distribution System	water main	9,918	40,082	80%
88	Distribution System	appurtenances	88	357	80%

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 Water Asset / Rate Base Listing

Line No.	Col (A) TCEQ Category	(B) Description	(N) Depreciation Calculated as of		(O) Contributions in Aid of Construction	
			Developer \$	Customer \$	Developer \$	Customer \$
1						
2						
67	Improvements	wtp appurtenances		47		
68	Distribution System	pipe and fittings		3,311		
69	Distribution System	pipe and fittings		1,632		
70	Improvements	flume sand at well		41		
71	Improvements	Well No. 1 piping		3,350		
72	Distribution System	pipe and fittings		974		
73	Distribution System	plumbing supplies		39		
74	Equipment Rental	heavy equipment rental		4,253		
75	Fencing	fence for well		1,307		
76	Fencing	wtp fence		1,549		
77	Equipment Rental	heavy equipment rental		1,082		
78	Meters and Service	water meter and vaults		1,363		
79	Distribution System	fittings		219		
80	Distribution System	fittings		58		
81	Engineering	engineering		-		
82	Engineering	well site survey		-		
83	Distribution System	piping		5,463		
84	Distribution System	water main		6,405		
85	Distribution System	piping		25,409		
86	Hydrants	hydrants		2,952		
87	Distribution System	water main		32,066		
88	Distribution System	appurtenances		286		

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Line No.	Col (A)	(B)	(C)	(D)	(E)	(F)
1	Depreciation Calculated as of 12/31/2013					
2	TCEQ Category	Description	Acquired Date	Claimed Economic Life (years)	Claimed Original Cost	% Used & Useful
89	Heavy Equipment	Drill	2/7/2004	10	194	100%
90	Distribution System	fittings	2/13/2004	50	293	100%
91	Engineering	plan submittal - well 2	3/1/2004	5	1,800	100%
92	Distribution System	water main	3/10/2004	50	32,000	100%
93	Hydrants	hydrants	3/22/2004	20	18,863	100%
94	Distribution System	piping	3/23/2004	50	12,000	100%
95	Distribution System	water main	4/5/2004	50	27,530	100%
96	Distribution System	piping	4/12/2004	50	1,298	100%
97	Distribution System	apparutances	4/19/2004	50	465	100%
98	Distribution System	water main	4/23/2004	50	32,950	100%
99	Improvements	power to well #2	5/7/2004	20	61,351	100%
100	Improvements	electric trench for well #2	8/9/2004	20	1,300	100%
101	Improvements	Well #2	8/31/2004	20	205,669	100%
102	Improvements	well service	9/7/2004	20	5,209	100%
103	Improvements	wtp pressure switch	9/13/2004	20	475	100%
104	Improvements	COXEXCA EMERGENCY WELL	10/18/2004	20	1,500	100%
105	Distribution System	TIE IN	10/26/2004	50	1,012	100%
106	Distribution System	water main	1/17/2005	50	19,000	100%
107	Distribution System	fittings	1/24/2005	50	11,098	100%
108	Distribution System	piping	1/27/2005	50	40,707	100%
109	Distribution System	fittings	2/9/2005	50	6,337	100%